***(Private and Confidential)** **For Equity Shareholders of the Company only**

JHANTLA INVESTMENTS LIMITED

(The Company was incorporated on 24th Day of October 1980 under The Companies Act, 1956)

Registered Office: 103, Princess Street, Ground Floor, Davawala Building, Mumbai- 400002.

Tel: 022-30962765. **Fax:** 022-56369524 E mail : jhantla@yahoo.co.in

(For Changes in the registered office to the company please see the section Company, Business and Management)

Contact Person : Sunil K. Chheda., Compliance Officer: Email Address : kam010in@hotmail.com.

LETTER OF OFFER

ISSUE OF 48,00,000 EQUITY SHARES OF RS 10/- (RUPEES TEN ONLY) EACH FOR CASH AT PAR ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 24 (TWENTY FOUR) EQUITY SHARES FOR EVERY 1 (ONE) EQUITY SHARE HELD ON BOOK CLOSING DATE i.e……….., 2005 AGGREGATING RS. 480,00,000/- (RUPEES FOUR CRORES AND EIGHTY LACS ONLY)

GENERAL RISKS

"Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document".

Investors are advised to refer to the page no----- for the statement on risk factors pertaining to this offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

"The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the Issuer and the issue, which is material in the context of the issue, that the information contained in this Offer Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect".

LISTING

The Company's existing Equity Shares are listed on the Bombay Stock Exchange Limited at Mumbai. The Equity Shares to be issued through this Issue would also be listed on the Stock Exchange mentioned above. The in-principle approval has been obtained from Bombay Stock Exchange Limited, Mumbai vide their letter dated ………..

CREDIT RATING

This being an issue of Equity Shares, no credit rating is required.

Note: The attention of investors is drawn to the statement of Risk Factors appearing on Page no. ----- of the Letter of Offer.

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR SPLIT FORMS	ISSUE CLOSES ON
[.]	[.]	[.]

LEAD MANAGER TO THE ISSUE	REGISTRARS TO THE ISSUE
Aryaman Financial Services Limited, 208, Maker Chamber V, 2nd Floor, Nariman Point, Mumbai-400021. Tel: (022) 22845716 /22826464 Fax: 22883134. Email: afsl@vsnl.com Contact Person: Mr. Prasanna Chandwaskar	**Sharex Dynamic India Private Limited** 17/BDena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001 Tel: (022) 22702485 / 22641376 Fax: (022) 22641349 Email: sharexindia@vsnl.com Contact Person :Mr. B.S. Baliga

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GLOSSARY OF TERMS/ ABBREVIATIONS	
Act	The Companies Act, 1956 as amended from time to time
Articles	Articles of Association of the Company
Board	Board of Directors of Jhantla Investments Limited
BSE	Bombay Stock Exchange Limited, Mumbai
CAF	Composite Application Form
CDSL	Central Depository Services (India) Limited
JIL / Company / Issuer	Jhantla Investments Limited
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Designated Stock Exchange	Bombay Stock Exchange Limited: A stock exchange which is having nationwide trading terminals in which securities of the company are listed or proposed to be listed and which is chosen by the company for purposes of a particular issue
DP	A depository participant as defined under the Depositories Act.
EGM	Extra-ordinary General Meeting
Equity Shareholders	Equity shareholders of the Company.
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FY	Financial year ending March 31
GEB	Gujarat Electricity Board
GEDA	Gujarat Electricity Development Agency
GOI	Government of India
Guidelines/SEBI Guidelines	Guidelines issued by the Securities and Exchange Board of India under section 11 of the Securities and Exchange Board of India Act, 1992 and called the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000
Issue / Rights Issue	Issue of 48,00,000 Equity shares of Rs 10/- (Rupees Ten Only) each for cash at par on a rights basis to the existing equity shareholders of the company in the ratio of 24 (Twenty Four) equity shares for every 1 (One) equity share held on record date i.e. …………………….. aggregating Rs. 480,00,000/- (Rupees Four Crores and Eighty Lacs Only)
IT Act	The Income Tax Act, 1961 and amendments thereto
Lead Manager(s)	Aryaman Financial Services Ltd.
Letter of Offer/ LoF/ Offer Document	This Letter of Offer circulated to the Equity Shareholders of the Company
Memorandum	Memorandum of Association of the Company
MRTP	Monopolies and Restrictive Trade Practices
NBFC	Non-Banking Financial Institution
NR	Non-resident
NRI(s)	Non-resident Indians
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Body (ies)
RBI	The Reserve Bank of India
Rights Entitlement	The number of Equity Shares that an Equity Shareholder is entitled to under this Letter of Offer in proportion to his/ her/ its existing shareholding in the Company as on book closure date.
SEBI	Securities and Exchange Board of India
WTG	Wind Turbine Generators

In this Letter of Offer, all references to “Rs.” refer to Rupees, the lawful currency of India. References to the singular also refer to the plural and one gender also refers to any other gender wherever applicable.

The investors should consider the following risk factors together with all other information included in this Letter of Offer carefully, in evaluating the Company and its business before making any investment decision. Any projections, forecasts and estimates contained herein are forward looking statements that involve risks and uncertainties. Such statements use forward looking terminology like “may”, “believes”, “will”, “expect”, “anticipate”, “estimate”, “plan” or other similar words. The Company’s actual results could differ from those anticipated in these forward-looking statements as a result of certain factors including those, which are set forth in the “Risk factors”.

RISK FACTORS

Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Letter of Offer before making any investment decision relating to our Equity Shares. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of our Equity shares to fall significantly and you may lose all or part of your investment.

Internal Risk Factors

1. **Diversification in the business of developing land and infrastructure for Wind Power Projects**.

   The company is diversifying in the new field of business of developing land and infrastructure for Wind Power Projects, which is totally new business for the company, this may affect the profit earning capacity of the company.

2. **Discontinuation of existing business of the company**

   The company was carrying on the business of investments, in which it had incurred losses in the financial years ending on 31st March 2001, 2002, 2003 and 2004.

3. **Assessment of Fund Requirement**

   The requirement of funds for the proposed Rights Issue is based on Company's estimates and the same has not been assessed or vetted or appraised by any independent agency, bank or financial institution.

   Management Perception
   The company has two Directors, Mr. Jigar Shah and Mr. Ambalal C. Patel. Both these Directors have over twelve years of experience in the field of Wind Power Projects. The assessment has been made keeping in mind all the parameters of the proposed business.

4. **Deployment of Funds**

   The deployment of funds raised through the Issue is completely at the discretion of the Company and will not be monitored by any independent agency.

   Management Perception
   The Company is professionally managed with sufficient experience in the business and has estimated the funds requirement based upon plans to be implemented by the Company. The management believes that in the present environment, the proposed capital expenditure programme would strengthen the long-term prospects of the company.

5. **Means of Finance include Credit from Suppliers**

   Out of the total Fund Requirement of Rs. 660.00 Lacs , Rs. 134.00 Lacs is arranged by means of Credit from Suppliers for which the company has not made any firm arrangements with any firm / vendors

   Management Perception
   The management of company is in the process of negotiation, with the vendors for making firm arrangement for the credit .

6. **Risk of Attrition of Key Personnel**

   The Company's business is dependent on key executives; the loss of any of them could have a material adverse effect on the Company's business, operating results and financial condition.

Management Perception
The Company believes that its success will depend largely on its continued ability to retain and attract highly skilled and quality executive personnel. The Company has developed a second line of Managers who can take the responsibility in case of attrition of any personnel.

7. **Dependant on Single Project, which carry a high degree of technical risk.**

The future performance of the company depends entirely on the acceptance and marketability of the land and infrastructure developed for the Wind Power Project. If demand for our project declines or if there is failure in the marketability of the infrastructure developed, the financial conditions and results of operations could be adversely affected.

8 **If wind patterns at the site where we propose to develop land and infrastructure for Wind Power Projects change, the business and financial position of the company will be adversely affected.**

The viability of any Wind Power Project is dependent on the supply of the wind, which by its very nature is intermittent. Although we have selected the site of the project after the detailed assessment of wind patterns at that site, but there can be no assurance that wind patterns at a particular site will remain constant. Any changes in the wind patterns at the site which we have identified as suitable for the Wind Power Project, could have a material adverse effect on the business and financial conditions of the company.

9. **The company is registered with CDSL only.**

The Company is registered with only CDSL and it is not registered with NSDL. So the company cannot give the demat facility to the shareholders who have their demat account with NSDL.

Management Perception
The company had already filed its registration papers with the NSDL and the management of the company believes that in near future the company will be successfully registered with NSDL

External Risk Factors

1. **Demand for wind power projects is primarily dependent on the demand for electricity**

The Demand for electricity in India is closely related to the economic growth of the country. As the economy grows, economic activities, such as industrial production and personal consumption, also tend to expand, which increases the demand for the electricity. On the other hand if there is downturns into the economy, activities such as industrial production and consumer demand decline, causing demand for electricity to decrease. A sustained economic downturn would have a material adverse effect on our business, financial condition and results of the operation.

2. **Demand for Wind energy projects depends on the cost of Wind Energy generation.**

The demand for wind power projects is dependent on the cost of wind generated electricity compared to electricity generated from other sources of energy. The cost and supply of oil, coal and other fossil fuels are key factors in determining the effectiveness of wind power, if these are cheaper, then it will favour non-wind energy generation, while more expensive and limited supplies of oil, coal and other fossil fuels favour wind energy generation. An increase in cost competitiveness for the conventional sources of power generation, the discovery of new significant oil, gas and coal deposits or a decline in the global prices of oil, gas, coal and other fossil fuels, could result in lower demand for wind power projects which would have a material adverse effect on the business, financial condition of the company.

3 Uncertainty of Wind Patterns

The viability of Wind power project is dependent on the wind patterns, which are not constant and by over time it may vary, so wind power projects are generally not considered as viable base load sources of electricity. This may adversely affect the future growth prospects of the wind power industry in general and also the growth prospectus of the company.

4. Decrease in or elimination of government initiatives and incentives.

The government in India had enacted legislation and policies for the support of the renewable sources of energy, including the wind power industry. If such direct or indirect government support for wind power is terminated or reduced, this would make producing electricity from wind power less competitive, which would adversely affect our financial condition.

5. Changes in technology may render the current technologies obsolete or require the Company to make substantial capital investments.

Management Perception
The Company has been regularly upgrading its systems to reflect the current practices and technology adopted by the industry.

6. Technical failures and natural disasters can damage the existing set up of the Company.

Management Perception
The Company maintains insurance for the assets against fire, natural calamities including earthquakes and floods, burglary and special contingencies, depending upon the nature of the asset.

7. Political Instability or changes in Central or Gujarat State Government could adversely affect economic conditions

The political situation of the country significantly influences the overall aspects of the economy. The business of the company, the market price and the liquidity of the shares of the company may be affected by the interest rate fluctuations, changes in the government policy, taxation, social and civil unrest.

8. Terrorist attacks and other acts of violence or war involving India, could adversely affect the financial markets, result in loss of customer confidence and adversely affect the business of the company.

Any communal disturbances, terrorist attacks and riots, deterioration in the relationship between India and Pakistan, or any social or civil unrest in the neighboring countries all this could influence the Indian Economy and could have a material adverse effect on the market for equity shares of the company.

Notes to Risk Factors :

1. Investors are advised to refer to “Basis of Issue Price” on Page No. ---- before investing in this Issue.
2. The Net worth before the Issue (as on March 31, 2005) is Rs 1.48 lacs and the Issue size is Rs 480.00 lakh..
3. The cost of acquisition of Equity Shares by our promoter of the Company is Rs. 7/- per share has been given under the head Notes to the Capital Structure on page no. -------- of this letter of offer.
4. The book value of the equity shares of the Company as on March 31, 2005 is Rs 0.74 per share.
5. There are no related party transactions in the company for the financial year ended on 31st March 2005.

SUMMARY

You should read the following summary with the Risk Factors included from page …. To ….. and more detailed information about us and our Financial Statements included elsewhere in this Letter of Offer.

Summary of the industry and business of the Company

The Company was incorporated in year 1980 with main object of investments and dealing in securities. The company was originally promoted by Mr. R.K. Mansingka & associates. During the financial year 2005 - 2006 Mr. Jigar J Shah acquired the controlling interest in the company. The new management is in process of commencing the activities of developing land and infrastructure for wind power generation.

PROPOSED ACTIVITIES:

The Company will conduct following businesses.

To develop & sell fully developed wind farm sites .The activities include location of suitable site, approval of site from state & central govt. authorities, acquisition of land area, developing infrastructure like internal roads, power evacuation facilities.The developed sites will be sold to WTG manufactures & IPPs. This concept is prevalent worldwide.

THE OFFER

Issue of 48,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each for cash at par on a rights basis to the existing equity shareholders of the company in the ratio of 24 (Twenty Four) equity shares for every 1 (One) equity share held on book closure i.e. …………… aggregating Rs. 480,00,000/- (Four Crores and Eighty Lacs Only)

No. of Equity Shares to be issued	48,00,000
Issue Size	Rs. 480 lacs
Entitlement Ratio	24:1
Face Value	Rs. 10/-
Offer Price	Rs. 10/-
Application Money	Rs. 10/-

SUMMARY OF OPERATING AND FINANCIAL DATA

The following table sets forth the selected historical financial information of Jhantla Investments Limited derived from the financial statements for the fiscal years ended March 2001, 2002, 2003, 2004 and 2005.

Summary Statement of Profits and Losses

(Rs. In lacs)

Particulars	**For the Year Ended**				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31st March 2001**
INCOME					
Sales	6.24	Nil	Nil	0.01	Nil
Income from Software Operation	Nil	Nil	Nil	Nil	Nil
Income from other activities	Nil	0.01	Nil	Nil	0.01
	6.24	**0.01**	**Nil**	**0.01**	**0.01**
EXPENDITURE					
Cost of sale	5.08	Nil	Nil	Nil	Nil
Staff Cost	0.45	Nil	Nil	Nil	Nil
Establishment & Other Expenses	0.44	0.33	0.45	0.50	0.24
Depreciation	Nil	Nil	Nil	Nil	Nil
Loss from dealing in Shares	Nil	0.70	Nil	Nil	Nil
Loss on Sale of Fixed Assets	Nil	Nil	Nil	Nil	Nil
	5.97	**1.03**	**0.45**	**0.50**	**0.24**
Profit / (Loss) before Taxation	**0.27**	**(1.02)**	**(0.45)**	**(0.49)**	**(0.23)**
Less : Provision for taxation	Nil	Nil	Nil	Nil	Nil
Less : Provision for deferred tax	Nil	Nil	Nil	Nil	Nil
Add: Earlier exp. adjusted	Nil	Nil	Nil	Nil	Nil
Profit /(Loss) after Taxation	**0.27**	**(1.02)**	**(0.45)**	**(1.50)**	**(0.23)**

The Company had not paid any dividend in the last five financial years .

Statement of Assets and Liabilities:

(Rs. In lacs)

Particulars	**For the year ended**				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31st March 2001**
Fixed Assets	Nil	Nil	Nil	Nil	Nil
Gross Block	Nil	Nil	Nil	0.04	0.04
Less: Depreciation	Nil	Nil	Nil	0.04	0.04
Net Block	Nil	Nil	Nil	Nil	0.00
Investments	2.11	2.11	2.84	2.84	2.88
Current Assets, Loan & Advances					
Sundry Debtors	Nil	Nil	Nil	Nil	Nil
Closing Stock	Nil	Nil	Nil	Nil	Nil
Cash & Bank Balance	1.41	0.04	0.02	0.04	0.06
Loan & Advances	Nil	Nil	Nil	Nil	1.30
	3.52	2.15	2.86	2.88	4.24
Liabilities & Provisions					
Current Liabilities	0.64	0.16	0.23	0.20	0.06
Provisions	Nil	Nil	Nil	Nil	Nil
Unsecured Loan	1.40	0.78	0.40	Nil	Nil
	2.04	0.94	0.63	0.20	0.06
Net Worth	**1.48**	**1.21**	**2.23**	**2.68**	**4.18**
Represented by:					
Share Capital					
Equity	20.00	20.00	20.00	20.00	20.00
Reserve & Surplus	(18.52)	(18.79)	(17.77)	(17.32)	(15.82)
	1.48	1.21	2.23	2.68	4.18
Miscellaneous expenditure (To the extent not written off or adjusted)					
Public Issue expenses	Nil	Nil	Nil	Nil	Nil
Preliminary expenses	Nil	Nil	Nil	Nil	Nil
Net Worth	**1.48**	**1.21**	**2.23**	**2.68**	**4.18**

GENERAL INFORMATION

1. Name, Registration number and Address of the Registered Office of the Company

Jhantla Investments Limited
Company Registration No. 11 – 23334
103, Princess Street, Ground Floor,
Davawala Building, Mumbai- 400 002.

2. Address of the Registrar of Companies where the company is registered :-

Registrar of Companies, Maharashtra Mumbai
Hakoba Mills Compound, Kala Chowki,
Mumbai – 400 002

Board of Directors

The Board of Directors of Jhantla Investments Limited is as follows:

Name	Residential Address	Experience	Qualifications
Mr. Jigar Jaswantlal Shah	1, Jash Apartment, Bartipath, Shantipath Society, Navrangpura, Ahmedabad- 380 009	Experience of around 12 years in the field of non conventional power resources its installation, operation, generation and maintenance work.	B.E. in Instrumentation and Control
Mr. Ambalal Chimanlal Patel	"Nagkrupa" B-42/43, Trupti Township, B/H Hotel, Rajpath Highway Road, Nagalpur, Mehsana – 384002	Experience of around 13 years in the field of non conventional power resources its installation, operation, generation and maintenance work.	Diploma in Mechanical Engineering
Mr. Sunil Kamalkant Chheda	A/3, Kitkat, Ist Carter Road, Borivali (E), Mumbai - 400 066	Experience of around 7 years in finance and accounting.	B.Com.
Mr. Ratanshi D Gogari	14, Hajare Chawl, Haji Mohamed Noula Lane, Bandra (West) Mumbai- 400 050	Experience of around 5 years in general administration of the company .	H.S.C.

Name and Address of Compliance Officer of the Company

Mr. Sunil Chheda
103, Princess Street,
Ground Floor,
Davawala Building, Mumbai- 400 002.
Tel: 022-30962765. **Fax:** 022-56369524
E – mail Address: kam010in@hotmail.com

IMPORTANT

a. The present Rights Issue is pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on 19th July 2005 and the Shareholders' Approval obtained at its Annual General Meeting dated 31st August, 2005.

b. This offer is open to the Equity Shareholders of the Company whose names appear on the Register of Members of the Company as on record date i.e. ………………

c. Please read this Letter of Offer (LoF) carefully. The instructions contained in the accompanying Composite Application Form (CAF) are an integral part of the conditions of this LoF and must be carefully followed; otherwise, the application is liable to be rejected.

d. All inquiries in connection with this LoF or the accompanying CAF and requests for split forms must be addressed (quoting the Registered Folio Number, the CAF Number and the name of the first shareholder as mentioned on the CAF and super scribed **"Jhantla Investments Limited - Rights Issue"** on the envelope) to the Company at the following address:

   Jhantla Investments Limited
   103, Princess Street,
   Ground Floor,
   Davawala Building, Mumbai- 400 002.

e. In case the original CAF is not received, or is misplaced by the applicant, the Registrars will issue a duplicate CAF on the request of the applicants who should furnish the Registered Folio Number and his/her full name and address to the Registrars to the Issue. Please note that those who are making the application in the duplicate form should not utilise the original CAF for any purpose including renunciation, even if it is received subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications.

f. It is to be specifically noted that the issue of equity shares is subject to Risk Factors appearing on page no. **------** of this LoF.

g. The Rights Issue will be kept open for a minimum period of 30 days. If extended, it will be kept open for a maximum of 60 days.

3. Eligibility for the Issue

Jhantla Investments Limited is an existing Company under the Companies Act, whose equity shares are listed on the Bombay Stock Exchange Limited at Mumbai. It is eligible to offer this Rights Issue in terms of Clause 2.4 (iv) of the SEBI Guidelines. The Company, its Promoters, its Directors have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

4. Government Approvals

No further consent of the Government of India is required for the present Issue. It must be distinctly understood that the Government of India does not take any responsibility for the financial soundness of any scheme or project or for the correctness of any statements made or any opinions expressed with regard to them. The Company can undertake the activities proposed by it and no approvals from any Government Authorities/RBI are required by the Company to undertake the proposed activities.

5. **Disclaimer Clause**

SEBI DISCLAIMER CLAUSE:

It is to be distinctly understood that submission of offer documents to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The lead merchant banker, Aryaman Financial Services Limited has certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI (Disclosures and Investor Protection) Guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

It should also be clearly understood that while the issuer company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the lead manager is expected to exercise due diligence to ensure that the company discharges its responsibility adequately in this behalf and towards this purpose, the lead manager, M/s. Aryaman Financial Services Limited, has furnished to SEBI a due diligence certificate in accordance with SEBI (Merchant Bankers) Regulations, 1992, which reads as follows:-

I. We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc., and other materials in connection with the finalisation of the draft Letter of Offer pertaining to the said issue;

II. On the basis of such examination and the discussion with the company, its Directors and other officers, other agencies, independent verification of the statements concerning objects of the issue, projected profitability, price justification and the contents of the documents and other materials furnished by the company,

We confirm that: -

A. The offer document forwarded to SEBI is in conformity with the documents, materials and papers relevant to the issue.

B. All the legal requirements connected with the said issue and also the guidelines, instructions etc., issued by SEBI, the government and any other competent authority in this behalf have been duly complied with; and

C. The disclosures made in the offer document are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

D. We confirm that beside ourselves, all the intermediaries named in the Letter of Offer are registered with SEBI and that till date such registration is valid.

The filing of offer document does not, however, absolve the company from any liabilities under Section 63 or Section 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI, further reserves the right to take up, at any point of time, with the lead manager(s) (Merchant Bankers) any irregularities or lapses in offer document.

6. **Disclaimer clauses of the Stock Exchange**

The Stock Exchange, Mumbai (BSE)

The Stock Exchange, Mumbai (BSE) has, given vide its letter dated …………….. permission to this company to use the Exchange's name in this Letter of Offer as the stock exchange on which this company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
iii. Take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company;

And it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

7. General Disclaimer

The Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by the Company or by any other persons at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his own risk.

8. Disclaimer with respect to Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations there under. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) at Mumbai, Maharashtra, India only.

9. Filing

The draft Letter of Offer has been filed with SEBI, Mittal Court, 'A' Wing, Nariman Point, and Mumbai – 400021, for its observations.

10. Listing

The Company's existing Equity Shares are listed on the Bombay Stock Exchange Limited at Mumbai. The Equity Shares to be issued through this Issue would also be listed on the Stock Exchange mentioned above. The Company has made application for in-principle approval for listing to the Stock Exchange. The Company will make application to the Stock Exchange for permission to deal in and for an official quotation in respect of the Equity Shares arising out of the Issue.

If the permission to deal in and for an official quotation of the securities is not granted by the Designated Stock Exchange mentioned above, within six weeks from the Issue Closing Date, the Company shall forthwith repay, without interest, all monies received from applicants in pursuance of this Letter of Offer. If such money is not paid within eight days after the Company becomes liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the Section 73 of the Act.

As per the information given by the Company and Delhi Stock Exchange, the company is also listed with the Delhi Stock Exchange Association Limited, and the company does not intend to list the equity shares issued through this Rights Issue with the Delhi Stock Exchange.

11. Impersonation

As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of Sub-section (1) of Section 68A of the Act, which is reproduced below:
"Any person who –

(i) makes in a fictitious name an application to a Company for acquiring, or subscribing for any Shares therein, or

(ii) otherwise induces a Company to allot, or register any transfer of Shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

12. Underwriting and Standby Arrangement

The present Rights Issue is not underwritten.

13. Minimum Subscription

If the Company does not receive minimum subscription of 90% of the Issue, the entire subscription shall be refunded to the applicants within forty-two days from the Date of Closure of the Issue. If there is delay in the refund of subscription by more than 8 days after the Company becomes liable to pay the subscription amount (i.e. forty two days after Closure of the Issue), the Company will pay interest for the delayed period, at the rates prescribed under sub – sections (2) and (2A) of Section 73 of the Companies Act, 1956.

14. Authority for the Present Issue

The present Rights Issue is pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on 19th July 2005 and the Shareholders' approval obtained at its Annual General Meeting dated 31st August 2005.

15. Allotment Letters / Refund Orders

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of forty-two days from the Date of Closure of the Issue. If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company shall pay interest for the delayed period, at the rates prescribed under sections 73(2)/73(2A) of the Companies Act, 1956.

16. Utilisation of Issue Proceeds

The Board of Directors declare that:

i. "All monies received out of the issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956

ii. Details of all monies utilised out of the Issue referred to in sub-item (i) above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and

iii. Details of all unutilised monies out of the issue of shares / Preference Shares / warrants or debentures, if any, referred to in sub-item (i) above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such un utilised monies have been invested."

iv. The sum received against this Rights Issue will be kept in a separate bank account and the Company will not have any access to such funds unless it satisfies the BSE (the Designated

Stock Exchange) with suitable documentary evidence that the minimum subscription of 90% of the Issue has been received by the Company.

17. Issue Schedule

Issue Opening Date	**[.]**
Last date for receiving requests for split forms	**[.]**
Issue Closing Date	**[.]**

The Issuer and the Lead Manager are obliged to update the Letter of Offer and keep the investors / Public informed of any material changes till the commencement of trading.

18. Issue Management team

Lead Manager to the Issue **ARYAMAN FINANCIAL SERVICES LIMITED**, 208, Maker Chamber V, 2nd Flr, Nariman Point, Mumbai-400021. Tel: (022) 22845716 /22826464 Fax: 22883134. Email: afsl@vsnl.com Contact Person: Mr. Prasanna Chandwaskar	**Registrar to the Issue** **SHAREX DYNAMIC INDIA PRIVATE LIMITED** 17/BDena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001 Tel: (022) 22702485 / 22641376 Fax: (022) 22641349 Email: sharexindia@vsnl.com Contact Person : Mr. B.S.Baliga
COMPLIANCE OFFICER **Mr. Sunil Chheda** 103, Princess Street, Ground Floor, Davawala Building, Mumbai- 400 002. Tel: 022-30962765. Fax: 022-56369524 E – mail Address : kam010in@hotmail.com	**Auditors of the Company** **M/s Jayesh R. Shah & Company.** **Chartered Accountants** B-2, Swagat, Ciba Society, Amrut Nagar, Ghatkopar (W), Mumbai - 400 086
Bankers to the Company **IDBI Bank Limited** **Kalbadevi Branch,** Tribhuvan Building, Vijay Vallabh Chowk, Pydhoni, Kalba Devi Road, Mumbai - 400 003	

Note: The Registrar is not an Associate of the Issuer Company. The investors are advised to contact the Registrar / Compliance Officer to the Issue/ Company in case of any Pre-Issue/ Post-Issue related problems such as non-receipt of Letter of Offer/ Letter of Allotment/ share certificates/ refund orders, etc. Mr. Sunil Chheda has been appointed as the Compliance Officer for the captioned rights Issue and will be in charge of handling all investors' grievances and redressal of complaints, if any, consequent upon the securities of Jhantla Inve stments Limited being offered through the Rights Issue and thereby listed at the stock exchange.

19. Credit rating

This being an issue of Equity Shares, no credit rating is required.

20. TRUSTEES

As the issue is of Equity Shares, the appointment of Debenture Trustees is not required.

21. *INTER SE* ALLOCATION

As there is only one Lead Manager to the Issue, the *inter se* allocation is not required.

CAPITAL STRUCTURE

	PARTICULARS		NOMINAL VALUE Rs.
A.	**AUTHORISED CAPITAL**		
	75,00,000	Equity Shares of Rs.10/- each	750,00,000
B.	**ISSUED, SUBSCRIBED & PAID UP CAPITAL**		
	2,00,000	Equity Shares of Rs.10/- each	20,00,000
C.	**PRESENT ISSUE**		
	48,00,000	Equity Shares of Rs.10/- each for cash at par on rights basis	480,00,000
D.	**PAID UP CAPITAL AFTER THE ISSUE**		
	50,00,000	Equity Shares of Rs.10/- each	500,00,000

Note: Post Issue shareholding is based on the assumption that all shareholders (including promoters) will subscribe to their entire rights entitlement.

Notes to Capital Structure:

1. Details of increase in authorised share capital

The Authorised Share Capital of the Company as on the date of incorporation was 3,00,000 Equity Shares of Rs 10/- each aggregating to Rs . 30,00,000/-. The same was increased to Rs 750,00,000/- comprising 75,00,000 equity shares of Rs 10/- each through a resolution dated 31st August 2005.

2. Details of Capital structure of the Company since incorporation

Date of allotment	No. of shares	Face value (Rs)	Issue Price (Rs)	Consideration	Remarks
04.10.1980	70	10	10	Cash	Subscription to MOA
06.07.1981	29930	10	10	Cash	Additional share capital issued to promoters
30.10.1981	170000	10	10	Cash	Public Issue

3. **Current shareholding pattern of the Company including Promoters and other major shareholders as on 30.09.2005.**

Shareholding pattern of the Company including details of holdings of Promoter Group and the subscription by the Promoters is as follows:

Sr. No	Particulars	Pre Issue		Post Issue capital assuming all shares are allotted	
		No. of shares	% of issued capital	No. of shares	% of issued capital
A.	Promoters, Promoters Group and Directors				
1	Mr. Jigar Shah	63350	31.675	1583750	31.675
	Sub Total	**63350**	**31.675**	**1583750**	**31.675**
B.	Private Corporate Bodies	38500	19.25	962500	19.25
C.	Indian Public	98150	49.08	2453750	49.08
D.	Non Residents	Nil	Nil	Nil	Nil
	Sub Total	**136650**	**68.325**	**3416250**	**68.325**
	Grand Total	**200000**	**100**	**5000000**	**100**

* Note: Post Issue promoter shareholding is based on the assumption that promoters will subscribe to the extent of 100% of their rights entitlement.

The Promoter is not restrained from accessing the Capital Market for any reasons by SEBI or any other Authorities.

5. The promoters, directors and Lead Managers to the Issue have not entered into any buy-back, standby or similar arrangements for any of the securities being issued through this Letter of Offer.

6. Top Ten Shareholders

Top Ten Shareholders as on November 11, 2005.

Name of the shareholder	**No. of Shares**	**% of issued capital**
Shanti Narain	27750	13.875
Jigar J Shah	24400	12.200
Khedapati Investments Ltd.	19200	9.600
Lalphul Investment Ltd.	14750	7.375
Chunilal Nandlal Sapru	10000	5.00
Manish Manilal Gosar (HUF)	9900	4.950
Sarita Devi Mansingka	8000	4.000
Sudhir Kumar	5800	2.900
Arun Mehra	5500	2.750
Yogesh M. Shah (HUF)	5000	2.500

Top Ten Shareholders as on two years prior to the Date of Filing the Letter of Offer with SEBI.

Name of the shareholder	**No. of shares**	**% of issued capital**
Shanti Narayan	27750	13.88
Khedapati Investments Ltd	19200	9.60
Glorious Investment Ltd	19000	9.50
M.P. Mansingka (Trustees Namit Trust)	15600	7.80
Mridula Mansingka	15200	7.60
Lalphul Investments Ltd	14750	7.38
M.P. Mansingka	13800	4.60
Shree Dhanop Finance & Consultancy Ltd	10350	5.18
M.K. Mansingka	8300	4.15
Sarita Devi Mansingka	8000	4.00

7. The total number of members of the Company as on November 11, 2005 is 90.

8. The Shareholding of Mr. Jigar Shah is 63350 equity shares forming 31.675% of the total issued and paid-up share capital, which was acquired by him by way of Share purchase agreement dated June 03, 2005, out of the 63350 equity shares, 24400 equity shares have been transferred in his name and the transfer of remaining 38950 equity shares in his name is under process.

9. The promoter has confirmed that he intends to subscribe to the promoter’s entitlement in full.

10. The present Issue being a Rights Issue, as per extent SEBI guidelines, the requirement of promoters’ contribution is not applicable.

11. The Company has not availed of “bridge loans” to be repaid from the proceeds of the Issue, for incurring expenditure on the Objects of the Issue.

12. The terms of Issue to Non-Resident Equity Shareholders/ Applicants have been presented under the “Terms of the Issue” Section of this Letter of Offer on page no.-------.

13. The present promoter Mr. Jigar Shah have acquired 63350 equity shares of the company from the erstwhile promoters at a cost of Rs. 7/- per share, through an share purchase agreement dated June 3, 2005. Further to this, they have given open offer to the shareholder of the company to acquire further 20% of the equity share capital of the company in accordance with the provisions of SEBI (Substantial Acquisition of Shares & Takeover) Regulations 1997. But no shares were received in the said open offer.

14. The Equity Shareholders of the Company do not hold any warrant, option or convertible loan or any debenture, which would entitle them to acquire further shares in the Company.

15. No further issue of capital by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner which will affect the equity capital of the Company, shall be made during the period commencing from the filing of the Letter of Offer with the SEBI and the date on which the Equity Shares issued under this Letter of Offer are listed or application moneys are refunded on account of the failure of the Issue. Further, presently the Company does not intend or propose to alter the capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.

16. The promoters, directors and Lead Managers to the Issue have not paid any amount, whether direct or indirect and in cash or kind, in the nature of discount, commission, allowance or otherwise to any person.

17. The Company does not have any revaluation reserves.

18. The Company has not issued any Equity Share out of revaluation reserve in the past.

19. All information shall be made available by the Lead Managers and the Issuer to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including at road shows, presentations, research or sales reports etc.

20. The Promoter Group intends to apply for additional shares in the Issue such that at least 90% of the Issue Size is subscribed. As a result of this subscription and consequent allotment, the Promoter Group may acquire shares over and above their entitlement in the Issue, which may result in their shareholding in the Company being above their current shareholding. This subscription and acquisition of additional shares by Promoters Group, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. As such, other than meeting the requirements indicated in Use of Funds, Objects of the Issue, there is no other intention/purpose for this Issue, including any intention to delist the Company, even if, as a result of allotments to the Promoter Group in this Issue, the shareholding of the Promoter Group in the Company exceeds their current shareholding and such allotment of the additional shares by the promoters will be governed by the provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and Clause 40A of the Listing Agreement

PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present issue of equity shares is being made to meet the initial capital requirement for diversifying into the business of developing land and creating infrastructures for Wind Power projects.

The Main Objects clause of the Memorandum of Association of the Company enables the Company to undertake the above-mentioned activities.

To meet the objects of the Issue the total funds requirement as estimated by the Company and its means of finance is as under:

	Funds Requirement	**Rs. in Lacs**
1	Land Acquisition	176.00
2	Site Development Cost	40.00
3	Power Evacuation Facilities	440.00
4	Expenses of the issue	8.00
	Total	**664.00**
	Means of Finance	
1	Present Rights issue	480.00
2	Unsecured Loan	50.00
3	Credit from Suppliers	134.00
	Total	**664.00**

SCHEDULE OF IMPLEMENTATION

Step : 1>Purchase of Land : Land already been purchased from local farmers. And a Part payment of Rs.16.50 Lacs already been made and the balance amount of Rs.159.50 Lacs will be paid after this Right Issue or at the time of taking possession of the land.

Step : 2>Application to GEDA will be made for development of land and infrastructure facilities for wind power project of 16MW.

Step : 3 >Immediately after the close of Rights Issue. GEDA will give in principle approval and will advice the company for developing the power evacuation facilities.

Step : 4> GEB will give its In Principle Approval letter with supervision estimate.

Step : 5>After depositing supervision charges GEB will process further for line route and other formalities i.e. Notification of route etc.

Step : 6>After this, GEB and Commissioner of Electricity will give In Principle Approval for substation layout and design.

Step : 7>In February Sub station work & Transmission line work will commence. Both two activities will be go simultaneously.

Step 8>By March 2006. GEDA will give Micro setting drawing approval for 16MW wind farm. After this the Land and Infrastructure developed for 16 MW Wind Power Project will become saleable.

BASIS OF ISSUE PRICE

1. Adjusted Earnings Per Share

	Year ended	EPS	WEIGHTS USED
a.	2002-2003	(0.23)	1
b.	2003-2004	(0.51)	2
c.	2004-2005	0.13	3
	Weighted Average for last 3 years (Rs.)	(0.86)	

* Source: Auditors Report

2. Price Earning Ratio (P/E Ratio) in relation to the issue price of Rs. 10/- per share based on the EPS of financial year 2005 comes to 65.54.

The comparison of key ratios with the company in the same industry group are as follows:

Company	Year ended	EPS (Rs.)	P/E Ratio	RONW (%)	NAV (Rs.)
Suzlon Energy Ltd	2005	15	28.3	46.0	93.7

3. Return on Net Worth for the year financial year ended on 31st March 2005 is 18.24%

4. Minimum Return on Total Net Worth needed after the issue to maintain EPS at Rs 1.00 is 1.35%.

5. Net Asset Value (NAV)

a. As at 31.03.2005	0.74
b. After Issue	9.63
c. Issue price	10.00

* Source: Auditors Report

Listed Companies under the same Management

There are no listed companies under the same management within the meaning of Section 370 (1B) which has made any capital issue in the last three years.

STATEMENT OF TAX BENEFITS

The Auditors of the Company, M/s Jayesh R. Shah & Co Chartered Accountants, have advised the Company vide their certificate dated November 5, 2005 that under the current direct tax law, the following tax benefits *interalia* will be available to the Company and the shareholders of the Company. A shareholder is advised to consider in his own case the tax implication of an investment in the shares.

Benefits available to the Company

1. Under Section 10 (38) introduced by the Finance (No. 2) Act, 2004, Long Term Capital Gains arising out of sale of equity shares or a unit of equity oriented fund will be exempted from tax provided the transaction of sale of such equity shares or unit is chargeable to securities transaction tax.
2. Under Section 111A introduced by the Finance (No. 2) Act, 2004, Short Term Capital Gains arising out of sale of equity shares or a unit of equity oriented fund will be taxed at a concessional rate of 10 per cent provided the transaction of sale of such equity shares or unit is chargeable to securities transaction tax.
3. Under Section 48 of Income-tax Act, 1961, the Long Term Capital Gains arising out of sale of Capital assets other than assets exempt under Section 10 (38) will be computed after indexing the cost of acquisition /improvement under section 112 of the income-tax Act, 1961, and would be charged to tax at concessional rate of 20 per cent.
4. Under Section 10 (34) of income tax Act, 1961, any dividend income received by the Company from a domestic Company will be exempted from income tax.
5. Under Section 54EC Capital Gain arising on transfer of a Long Term Capital Assets is exempt if the same is invested in the Long Term specified asset.
6. Under Section 54ED Capital Gain arising on transfer of Long Term Capital Assets (Being listed securities for unit) is exempt from tax if the same is invested in acquiring equity shares forming and eligible issue of capital

Benefits available to the Members of the Company.

A. Residents

1. Under Section 10 (34) of the Income-tax Act, 1961, any dividend income received from a Indian Company is exempt from tax.
2. Under Section 10 (38) of the Income tax Act, 1961 If the shares of the Company are sold by its members, after being held for more than 12 months, in a transaction entered into recognized Stock Exchange in India, the gain, if any, there from will be exempt from tax.
3. Under Section 111A of the Income tax Act, 1961 Capital gain, if any, arising from the transfer of shares of the Company which are held for a period of less than 12 months in a transaction entered into in a recognized Stock Exchange in India shall be taxable at a concessional rate of 10% (plus applicable surcharge and educational cess).
4. Under section 112 of the Income tax Act, the long term capital gains arising to the members of the Company from the transfer of shares of the Company, other than as mentioned in item 2 above, shall be chargeable to tax after deducting the indexed cost of acquisition as provided in second proviso to section 48, @20% or without indexation @10% (plus applicable surcharge and educational cess).
5. Long Term Capital Gain (i.e. if the shares are held for more than 12 months) on sale of shares of the Company by the members (not covered under section 38 of the Act) shall be exempt from income tax if such gains are invested in bonds/equity shares specified in section 54EC or 54ED subject to the fulfillment of the conditions specified in the said sections. In the case of Individual or HUF members, the said capital gains shall be exempt from tax under section 54F subject to the fulfillment of the conditions specified therein.
6. Under section 88E credit shall be allowed for the amount of securities transaction tax paid where the income from the transaction is chargeable under the head profit and gains of business or profession subject to the fulfillment of other conditions specified under the said section.

7. Under Section 80C amount paid for subscription to equity shares forming part of and eligible issue is deductible from gross total income subject to the overall limit of Rs. 1 lacs.

B. Non-Residents Indians

1. Under Section 10 (34) of the Income-tax Act, 1961 any dividend income received from Indian Company is exempt from tax
2. Under section 111A Short Term Capital Gain arising on transfer of shares in the Company shall be chargeable to tax at 10% and long term Capital Gain shall be exempt as per section 10(38) if the conditions specified in items 2 and 3 under the heading Resident Indian are satisfied.
3. Under Section 115E of the Act, income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned 2 above) held in the Company will be taxable @10% (plus applicable surcharge and educational cess). However, the benefit of indexation is not available to Non Resident
4. Under Section 112 of the Income tax Act, the long term capital gains arising to the members of the Company from the transfer of shares of the Company, other than as mentioned in item 2 above, shall be chargeable to tax after deducting the indexed cost of acquisition as provided in second proviso 48, @20% or without indexation @10% (plus applicable surcharge and educational cess).
5. Where any Double Taxation Avoidance Agreement (DTA) entered into between India and any other country provides for a concessional tax rate or exemption of income from Investment in the shares of the Company, those beneficial provisions shall prevail over the provisions of the Income Tax Act, with respect to the same.
6. Under Section 115G return of income is not required to be filed under section 139(1) if the total income consist of investment income or income from Long Term Capital Gain and Tax Deducted at Source has been deducted from such income.

C. Foreign Institutional Investors

1. Under Section 10 (34) of the Income-tax Act, 1961, any dividend income received from Indian Company is exempt from tax.
2. Short Term Capital Gain on transfer of share in the Company shall be charged to tax at 10% under clause (ii) to section 115AD read with section 111A and long term capital gains shall be exempt from tax under clause (iii) to section 115AD read with section 10(38) if the conditions specified in items 2 and 3 under the heading Resident Indians are satisfied.
3. Under Section 115AD (1)(ii) of the Act, income by way of Short Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company for a period of less than 12 months will be taxable @ 30% (plus applicable surcharge and educational cess).
4. Under Section 115AD (1)(ii) of the Act, income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company will be taxable @ 10% ((plus applicable surcharge and educational cess). However, the benefits of Indexation are not available to FIIs
5. Under Section 54ED Capital Gain arising on transfer of Long Term Capital Assets (Being listed securities for unit) is exempt from tax if the same is invested in acquiring equity shares forming and eligible issue of capital.

E. Foreign Company

1. Under Section 10 (34) of the Income-tax Act, 1961, any dividend income received from Indian Company is exempt from tax.
2. Under Section 111A of the Act, Short Term Capital Gains on transfer of shares in the Company shall be charged @ 10% and long term capital gains shall be exempt from tax Under Section 10(38) if the conditions specified item 2 and 3 under the heading Resident Indians are satisfied.
3. Under Section 112 (1)(c) of the Act, income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company will be taxable @ 20% (plus applicable surcharge and educational cess)

F. Mutual Funds

Under Section 10(23D) of the Act, any income of Mutual Fund registered under the SEBI Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks of public financial institutions and Mutual Funds authorised by the RBI will be exempt from income tax.

Wealth Tax & Gift Tax

Shares are outside the scope of world "Asset" defined under Section 2 (ea) of the Wealth Tax Act, 1957, and are not liable to Wealth Tax.

Gift Tax is not leviable in respect of any gifts made on or after 1st October 1988. Therefore any gift of shares made will not attract gift tax.

COMPANY, BUSINESS AND MANAGEMENT

BRIEF HISTORY

Jhantla Investments Limited was incorporated as a public limited company. Presently the company is engaged in the business of investments and dealing in Securities. Now the company is diversifying into the business of developing land and infrastructure for Wind Power Projects.

MAIN OBJECTS OF THE COMPANY

The object clauses of the Memorandum of Association of the Company enable it to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities the Company has been carrying out until now are in accordance with the objects of the Memorandum. The objects for which the Company was established are:

1. To carry on the business of an Investment Company and to underwrite, sub-underwrite, to invest in, and acquire and hold, sell, buy or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or Foreign Governments, states, Dominions, Sovereigns, Municipalities, or Public Authorities or bodies and shares, stocks, debentures, debentures – stocks, bonds, obligations and securities issued and guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere.

The main objects of the Company has been amended by Special Resolution passed by way of Postal Ballot on August 27, 2005 by incorporating the new Clause 1A in the Main objects of the company: -

1A. To generate, accumulate, produce, convert, transmit, distribute, purchase, sell and supply or otherwise deal in power or any other energy from conventional / non conventional energy sources including but not restricted to Solar Energy, Wind Energy all forms of Biomass Energy, Geo- thermal Energy, Wind energy, all forms of Biomass Energy, Geo thermal Energy, Hydel energy, Tidal and Wave energy on commercial basis and to construct, lay down, install, commission, establish, operate and maintain power / energy generating stations, including building structures, works, machineries, equipments, cables and to undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring to third person/s Power Plants based on conventional / non – conventional energy sources including Solar Energy Plants, Wind Energy Plants, Mechanical, Electrical, Hydel, Civil Engineering works and also to carry on the business as manufacturers, producers, processors, makers, convertors, assemblers, fabricators, importers, exporters, traders, buyers, sellers, retailers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, jobbers, brokers or otherwise deal in all apparatus and equipments required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of power / energy and all types of power / energy saving devices, products, gadgets and its components.

PRESENT BUSINESS OF THE COMPANY

Presently the company earns its income from the business of dealing in shares and securities, the details of the total income of the company for the year ended on March 31, 2005 and for the seven months period ended on 31st October 2005 is as follows:

Particulars	**31st March 2005**	**31st October 2005**
Sales	6.24	4.83
Expenditure	5.97	3.76
Profit before tax	0.27	1.06
Provision for taxation	0.00	0.00
Profit after tax	0.27	1.06

Audited Statement of Assets and Liabilities as on 31st October 2005

Rs. In Lacs

Particulars	**31st October 2005**
Sources of Funds	
Share capital	20.00
Unsecured loan	50.00
Total	**70.00**
Application of Funds	
Investment	2.11
Current assets	40.38
Preliminary Expenses	10.06
Profit and Loss Account	17.45
Total	**70.00**

Following are the Securities in which the company has made investments:

(A) Shares & Securities:

SR. NO	**PARTICULARS**		**Amount**
1.	Natural Stone Export Limited	421000 shares @ Rs 0.50	210500

Details of changes in the registered office of the company since incorporation:

From	**To**	**Date**
Sonawala Building, 2nd Floor, 59, Bombay Samachar Marg, Mumbai - 400 023		Since Incorporation
Sonawala Building, 2nd Floor, 59, Bombay Samachar Marg, Mumbai - 400 023	A-3, Kit-kat Apartment, Carter Road No. 1, Borivali (E), Mumbai - 400 066	July 7, 2004
A-3, Kit-kat Apartment, Carter Road No. 1, Borivali (E), Mumbai - 400 066	103, Princess Street, Ground Floor, Davawala Building, Mumbai- 400 002.	October 4, 2005

The financial performance of the Company for the past five years along with significant accounting policies and qualifications from auditor's report (if any) as well as the notes to account from the auditors report has been covered under the head "Financial Performance of the Company" on page no. --

WORKING CAPITAL REQUIREMENTS

The company meets its present working capital requirement through its internal resources. There are no borrowings towards working capital requirement.

PROMOTER DETAILS

Background of Promoters

The company was originally promoted by Mr. R.K. Mansingka, but in the year 2005 Mr. Jigar J. Shah took the majority stake in the company after complying the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997. Pursuant to the said takeover he has acquired the control of the management of the company.

Mr. Jigar J Shah (42 years) has done B.E. in instrumentation and control and is having around 12 years of experience in the field of non – conventional power resources mainly wind Turbine generators, its installation, operation and maintenance work. He is also involved in providing technical consultation, liasoning with government departments and project execution in the field of power generation, communication, computer software, networking and other commercial part of the industry

Other Details of Promoters:

Name	Voter ID No.	PAN No.	Driving License No.	Passport No.
Mr. Jigar J Shah	NA	ADAPS7037E	473624 –AR	A1028828

NA – Not Available

PROMOTER UNDERTAKINGS

1. It is certified that the promoters have no interest in JIL except to the extent of remuneration and reimbursement of expenses and to the extent of any equity shares (of JIL) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding except the following:

2. It is further certified that they are not interested in any property acquired by the Company within the last two years or proposed to be acquired by the Company.

There are no pending litigations against the promoters.

OTHER VENTURES OF THE PROMOTERS

1. Kintech Systems P. Ltd.

Kintech Systems Private Limited was incorporated on 24th August 1995. The Company is engaged in business of business of providing technical consultation and executing projects in the field of power Generation, Communication, Computer Software and networking. . The shares of the Company are not listed on any Stock Exchange.

Following are the Board of Directors of the Company:

Sr. No	Name of Shareholder	Number of Shares	Percentage of holding
1	Jigar J. Shah	178092	51%
2	Ambalal C. Patel	171108	49%

There are no pending litigations / defaults / disputes / outstanding claims in respect of the Company.

The brief audited financial results for the past 3 years are as follows:

(Rs. in lacs)

Particulars	As at 31st March		
	2005	2004	2003
Equity Share Capital	34.92	9.92	9.92
Reserves & Surplus	13.08	8.98	7.40
Sales and Other Income	307.00	325.66	208.76
Profit (Loss) after Tax	4.09	2.92	1.60
Earning per Share (Rs.)	1.17	2.95	1.61
Net asset Value per Share (Rs.)	13.74	19.05	17.48

UNDERTAKINGS BY PROMOTERS RELATED TO VENTURES PROMOTED BY THEM

The Promoters have certified that there are no contingent liabilities not provided for, outstanding litigations, disputes, non payment of statutory dues, overdue to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956) against any of the abovementioned companies.

1. There are no pending litigations against any of the above-mentioned company. There has also been no history of labour problems / closure etc.

2. It is further certified that the above-mentioned company have no interest in JIL.

3. There are no group companies for which application has been made to ROC to strike off their names, for their being defunct.

4. There are no adverse findings against in respect of the issuer/ promoters/ entities connected with the issuer/promoter as regards to compliance with the securities laws.

MANAGEMENT

Board of Directors

The Board of Directors of JIL is as follows:

Name, Age & Designation	Qualification	Address	Other Directorships
Mr. Jigar Jaswantlal Shah	B.E. in instrumentation and control	1. Jash Apartment, Shantipath Society, Navarangpura, Ahemdabad – 380 009	Kintech Systems Private Limited
Mr. Ambalal Chimanlal Patel	Diploma in Mechanical Engineering	"Nagkrupa" B-42/43, Trupti Township, Rajpath Highway Road, Nagalpur, Mehsana – 384 002	NIL
Mr. Sunil Kamalkant Chheda	B.Com	A/3, Kitkat, Ist Carter Road, Borivali (E), Mumbai -400 066	NIL
Mr. Ratanshi D Gogari	B. Com	14, Hajare Chawl, Haji Mohamed Noula Lane, Bandra (W), Mumbai - 400 050	NIL

DETAILS OF PAYMENT MADE TO THE DIRECTORS OF THE COMPANY

No remuneration is paid to the directors of the company.

CHANGES IN THE DIRECTORS IN THE LAST THREE YEARS

Name	Nature of change	Date of change
Sunil K Chedda	Appointed	21.06.2004
Namdev B. Sondkar	Appointed	21.06.2004
Ratanshi D. Gogari	Appointed	21.06.2004
Namit Mansingka	Resigned	22.06.2004
Mridula Maningka	Resigned	22.06.2004
Dr. B. C. Malpani	Resigned	22.06.2004

Ambalal C. Patel	Appointed	13.12.2004
Jigar Jaswantlal Shah	Appointed	13.12.2004
Namdev B. Sondkar	Resigned	21.12.2004
N.K. Mansingka	Resigned	31.08.2005

SHAREHOLDING OF THE DIRECTORS AS ON 30/09/2005

Name of the director	**No. of shares held**
Jigar J. Shah	63350

QUALIFICATION SHARES REQUIRED TO BE HELD BY DIRECTORS

As per Clause 89 of the Articles of Association of the Company, no qualification share is prescribed for being a director.

INTEREST OF DIRECTORS

The Directors of the Company have no interest in JIL except to the extent of remuneration (if applicable) and reimbursement of expenses (if applicable) and to the extent of any equity shares (of JIL) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding except as mentioned below:

The Company, its Promoters, its Directors or any of the Company's associates or group companies have not been prohibited from accessing the capital market under any order or direction passed by SEBI. Further the promoters, their relatives (as per Companies Act, 1956), the Company, group companies, associate companies are not detained as willful defaulters by RBI / Government authorities. SEBI or Stock Exchanges have not imposed any penalties or taken any disciplinary action or conducted any investigation on Jhantla Investments Limited, Promoters and their other business ventures (irrespective of the fact whether or not they fall under or the purview of Sec 370 (1B) of the Companies Act, 1956). The Company is not operating under any injunction or restraining order. The listing of any of the securities issued by JIL are never been refused by the stock exchange. The Company has not failed to meet the listing requirements of the stock exchange.

KEY MANAGERIAL PERSONNEL

The key managerial personnel as on the date of filing are as under:

Name	**Qualification**	**Designation**	**Work Experience**
Mr. Ghanshyam Patel	B.E. Electronics	Manager (Projects)	10 years
Mr. Hemang Bais	B.E. Electrical	Sr. Engineer (Projects)	6 Years
Mr. Jayesh Sinojia	D.E.E.	Sr. Engineer (Projects)	6 Years
Mr. Bhavesh Purohit	D.E.E.	Sr. Engineer (O&M)	6 Years
Mr. Arvind Singhani	D.M.E.	Sr. Engineer (O&M)	7 Years

The persons whose names appear as key management personnel are on the rolls of the Company as permanent employees. Employees of the Company's subsidiaries / group companies have not been included in the key managerial personnel.

CHANGES IN THE AUDITORS IN THE LAST THREE YEARS

During the last three years M/s Shankarlal Jain & Associates, Chartered Accountants have resigned as the Statutory Auditors of the Company and in their place M/s Jayesh R. Shah & Co, Chartered Accountants have been appointed as Statutory Auditors of the company in the Extra ordinary General Meeting of the company held on 30th April, 2004. Except this, there have been no changes in the statutory auditors in the last three years.

OPERATING ENVIRONMENT AND BUSINESS STRATEGY

The Company now plans to enter into the lucrative segment of creating and providing infrastructure facilities for the wind power projects in the state of Gujarat. The field is highly remunerative, given that the infrastructures developed for the wind power projects are having very high demand. The Company's business activities are located in the Kachchh district of the state of Gujarat.

Strengths

- Existing, profit making company
- Highly motivated team of personnel
- Already listed at Bombay Stock Exchange Limited
- Ready contacts for business development

Weaknesses

- No track record in Wind Power Projects
- Lower Profitability in the Past

Opportunities

- Vast market of Wind Power Projects
- High Returns with lower risk
- Growth in Wind power projects with heavy incentives from Government
- Technological advancements

Threats

- Competitive Environment
- Government restrictions

INDUSTRY OVERVIEW:

WIND ENERGY POTENTIAL IN THE WORLD:

People have been using wind energy for drying clothes and sailing ships, since time immemorial. Europeans have been using wind energy for pumping water and grinding grains, for last few centuries. Many countries have started using wind energy for generating electrical power on a commercial scale, after 1975 or so.

From the points of view of potential and utilization of wind energy for power generation on a commercial scale, California (USA) ranks first, and England and Denmark (Europe) rank second and third. They have geographical topographies such that winds of very high speeds, exceeding 30 KMPH (Kilometer per Hour occur: in large areas, for large durations, and well predictably.

Several other countries also have great good potential for wind based power generation. In fact, in most of the countries in the world, wind based power generation works out to be cheaper than most of other schemes of power generation. This is still more so when one considers environmental pollution problems and raw material price escalations associated with fossil fuels based power generation schemes.

INCENTIVES :

INCENTIVES BY INTERNATIONAL ORGANIZATIONS :

Having released techno-economic viability and environmental safety of wind base power generation, many countries all over the world are fast adopting wind based power generation schemes.

Many countries are trying to popularize wind based power generation by offering various promotional and fiscal incentives, by laying heavy takes on environment-unfriendly power generation schemes, by allowing small private wind based power generators.

Denmark and many other Europe countries and USA, have vast facilities for manufacturing wind Turbines for wind based power generation. Governments of Denmark and USA, through their agencies/banks, have been offering subsidies and/or soft loans for exporting Wind Turbines manufactured in their respective countries. Such subsidies and soft loans have attracted India and such other developing countries towards wind based power generation schemes on large scales.

INCENTIVES:

INCENTIVES BY GOVERNMENT OF INDIA:

Government of India, through various demonstration wind farms and wind monitoring stations, has been offering excellent research & development support to all the parties interested in adopting wind based power generation.

Govt. of India, Ministry of Non- Conventional Energy sources (MNES) has been playing crucial role in safeguarding interests of organizations establishing wind farms: any persuading respective State electricity Boards to adequately remunerate the electricity generated by wind farms, by persuading respective agencies to make necessary infrastructures available for establishing wind farms.

There exists an attractive incentive scheme investments towards wind farms are allowed to be depreciated 80 % in the very first year, thereby reducing the income-tax burdens of profit-making organizations establishing wind farms .The income generated from wind farms are exempt from income tax for first 5 years & further 30 % deduction during the next five years under section 80 I (A) of the Indian Income Tax Act -1961.

WIND POWER PROJECT IN INDIA

Either Power sale to State Electricity Board or Third Party Sale as per the state Wind Policy

AVERAGE REALIZATION POWER:-

Gujarat	Rs. 2.60 per KWH Plus 5 paise escalation till 10 years
Rajasthan	Rs.3.32 per KWH Plus 2% escalation till Rs.3.92 /KWH
Maharashtra	Rs.3.50per KWH Plus 5% escalation for 13 years.

- Average Plant load factor improves due to design & bigger size turbines Annual return is very high
- Average installation capital cost Rs. 500 lac per MW.
- If interest cost of the investment is lower then profitability is very good.
- Infrastructure for Wind Farm, i.e. Power evacuation facilities improves ensures good grid availability for power evacuation either on 66KV/132KV level only.

WIND ENERGY POTENTIAL OF DIFFERENT STATES:-

Sr. No.	State	Gross Potential (MW) (a)	Technical Potential (MW) (b)	Installed Capacity (MW) (c)
1.	**Andhra Pradesh**	2200	1231	91.9
2.	**Gujarat**	3100	1210	166.9
3.	**Karnataka**	4120	687	44.6
4.	**Kerala**	380	353	2

5.	**Madhya Pradesh**	**3000**	**77**	**22.6**
6.	**Maharashtra**	**1920**	**2108**	**189.80**
7.	**Orissa**	**840**	**338**	**2**
8.	**Rajasthan**	**1210**	**397**	**7.3**
9.	**Tamilnadu**	**900**	**1011**	**812.6**
10.	**West Bengal**	**180**	**775**	**0.5**
11.	**Other States**	**2150**	**-**	**1.60**
	Total	**20000**	**8946**	**1339.80**

a. Assuming 0.5% of land availability for Wind Power generation in potential areas.

b. As on 31.03.98, assuming 20% grid penetration

c. As on 31.03.2000

POSSIBLE GENERATION PER MW (in lacs units)	
Tamil Nadu	**16 - 20**
Maharashtra	**14 - 16**
Karnataka	**14 - 20**
Gujarat	**12 - 14**
Andhra Pradesh	**12 - 16**
Madhya Pradesh	**12 - 14**

MANAGEMENT DISCUSSION AND ANALYSIS

Significant economic changes that materially affected or are likely to affect income from continued operations:

The Company is presently engaged in business of Investment activities. Now the company is diversifying itself into the business of development of land and infrastructures for Wind Power Projects. In the last few years the Electricity generation from wind energy is growing at a fast momentum. This trend is likely to continue in the near future and will have a positive effect on the Company's operation.

Known trends or uncertainties:

Change in Government's policy for Generation and Distribution of Electricity may affect the business/profit of the Company in near future.

Future relationship between cost and revenue:

The Company is planning to deploy the full proceeds of right issue into activities of development of land and infrastructure for Wind Power Projects. The margins in this sector are expected to be good going by the current industry scenario.

Status of any publicly announced new products or business segment:

The Company has not announced any new product or business segment except its decision to diversify into the business of development of land and infrastructure for Wind Power Projects. The Company is awaiting the funds from the proposed right issue to formally start these activities.

Extent of seasonality in the business:

The business of the Company is of development of land and infrastructure for Wind Power Projects and is not seasonal in nature. The Company expects to have a business well spread for entire year.

Any significant dependence on any one customer or supplier:

The Company does not depend on any single customer or supplier in any of its activities.

Statement by the directors

There are no material developments after the date of latest balance sheet save and except as stated elsewhere in this document, that are likely to materially affect the performance and the prospects of the company.

The company has discontinued its existing business of Investments and now commencing a new business of development of Land and Infrastructure for Wind Power Projects.

To
The Board of Directors of
M/s Jhantla Investments Limited
103, Princess Street, Gr.Flr.,
Davawala Bldg., Mumbai-2.

Dear Sirs,

Sub. : **FINANCIAL PERFORMANCE OF THE COMPANY**

As desired by you, we have examined the statements of Assets and Liabilities and Profit and Loss Account of your Company for the past five financial years from 2000-2001 to 2004-2005 given hereunder and certify the same to be correct.

Profit and Loss Account

(Rs. In lacs)

Particulars	**For the Year Ended**				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31st March 2001**
INCOME					
Sales	6.24	Nil	Nil	0.01	Nil
Income from Software Operation	Nil	Nil	Nil	Nil	Nil
Income from other activities	Nil	0.01	Nil	Nil	0.01
	6.24	**0.01**	**Nil**	**0.01**	**0.01**
EXPENDITURE					
Cost of sale	5.08	Nil	Nil	Nil	Nil
Staff Cost	0.45	Nil	Nil	Nil	Nil
Establishment & Other Expenses	0.44	0.33	0.45	0.50	0.24
Depreciation	Nil	Nil	Nil	Nil	Nil
Loss from dealing in Shares	Nil	0.70	Nil	Nil	Nil
Loss on Sale of Fixed Assets	Nil	Nil	Nil	Nil	Nil
	5.97	**1.03**	**0.45**	**0.50**	**0.24**
Profit / (Loss) before Taxation	**0.27**	**(1.02)**	**(0.45)**	**(0.49)**	**(0.23)**
Less : Provision for taxation	Nil	Nil	Nil	Nil	Nil
Less : Provision for deferred tax	Nil	Nil	Nil	Nil	Nil
Add: Earlier exp. adjusted	Nil	Nil	Nil	Nil	Nil
Profit /(Loss) after Taxation	**0.27**	**(1.02)**	**(0.45)**	**(1.50)**	**(0.23)**

Note: - Sales means Sale of Shares & Securities.

Statement of Assets and Liabilities:

(Rs. In lacs)

Particulars	**For the year ended**				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31st March 2001**
Fixed Assets	Nil	Nil	Nil		
Gross Block	Nil	Nil	Nil	0.04	0.04
Less: Depreciation	Nil	Nil	Nil	0.04	0.04
Net Block	Nil	Nil	Nil	Nil	0.00
Investments	2.11	2.11	2.84	2.84	2.88
Current Assets, Loan & Advances					
Sundry Debtors	Nil	Nil	Nil	Nil	Nil
Closing Stock	Nil	Nil	Nil	Nil	Nil
Cash & Bank Balance	1.41	0.04	0.02	0.04	0.06
Loan & Advances	Nil	Nil	Nil	Nil	1.30
	3.52	2.15	2.86	2.88	4.24
Liabilities & Provisions					
Current Liabilities	0.64	0.16	0.23	0.20	0.06
Provisions	Nil	Nil	Nil	Nil	Nil
Unsecured Loan	1.40	0.78	0.40	Nil	Nil
	2.04	0.94	0.63	0.20	0.06
Net Worth	**1.48**	**1.21**	**2.23**	**2.68**	**4.18**
Represented by:					
Share Capital					
Equity	20.00	20.00	20.00	20.00	20.00
Reserve & Surplus	(18.52)	(18.79)	(17.77)	(17.32)	(15.82)
	1.48	1.21	2.23	2.68	4.18
Miscellaneous expenditure (To the extent not written off or adjusted)					
Public Issue expenses	Nil	Nil	Nil	Nil	Nil
Preliminary expenses	Nil	Nil	Nil	Nil	Nil
Net Worth	**1.48**	**1.21**	**2.23**	**2.68**	**4.18**

The Companies Accounting Policies and Notes on Accounts for the year 2000-01 to 2004-05 were as under: -

1. Statement on significant Accounting policies:
   - i) Basis of accounting:
     Generally, mercantile system of accounting is followed.
   - ii) Investments:
   - a) Investments being long term in nature are valued at cost of acquisition and related expenses such as brokerage and
     Stamp duties,
   - b) Temporary diminutions in value of the investments if any, are not provided for.
   - iii) Revenue Recognition:
   - a) Interest income is recognized on a time proportion basis depending upon amount outstanding and the rate applicable
   - b) Dividend Income is treated on receipt basis.
   - c) Sales of shares and debentures are recognized on execution of date of order.

2. In the opinion of the Board, current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.

3. Additional information to be given pursuant to para. 3 & 4 of the Part II of Schedule VI of the Companies Act, 1956 are not applicable.

4. Listing fee payable to Delhi Stock Exchange since 1998-99 is not being paid and the same will be accounted for as and when paid.

5. The company has mainly investing activity on shares/securities. Hence income from them and assets and liabilities are considered as one segment. Therefore, disclosure of segments reporting pursuant to AS-17 issued by the ICAI is not required.

6. In view of the applicability of Accounting Standard – 22 on "Accounting for Taxes on Income" during the year issued by the Institute of Chartered Accountants of India, company does not have current tax as well as deferred tax liability due to carried forward losses and unabsorbed depreciation, Deferred tax is not recognized in view of uncertainty of future taxable profits.

7. Pursuant to requirement of AS-18 issued by the ICAI the details of transaction carried out during the past five year with the related parties are Not Applicable, only in the year 2003-04 the transactions were entered into the details of which are given hereunder.

Sr. No.	Name of Party	Relationship	Nature of Trisection	Amount in Rs.
1.	Matushri Oil Mills Ltd.	Associate Co	Investment in Shares	(51,000)
2.	Olympic Oil Industries Ltd	Associate Co	Investment in Shares	(1,32,510)
3.	Shree Dhanop Finance & Consultancy Ltd	Associate Co	Investment in Shares	66,325
4.	N.K. Mansigka	Director	Balance Payable	(3500)
5.	Olympic Oil Mills Ltd	Associate Co	Loan Taken	(40,000)

(Figures in brackets relating to previous year)

The Cash Flow Statement for the past Five Years from 2000-01 to 2004-05 is given hereunder :-

Statement of Cash Flow:

(Rs. In lacs)

Particulars	**For the year ended**				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31st March 2001**
A. Cash Flow from Operating Activities					
Net Profit before Tax & Extra Ordinary Items	0.27	(1.02)	(0.45)	(0.49)	(0.22)
Adjustments for:					
Deprecation	Nil	Nil	Nil	Nil	Nil
Dividend on Investment	Nil	Nil	Nil	Nil	Nil
Loss on sale of Fixed Assets	Nil	Nil	Nil	Nil	Nil
Preliminary & Issue Exp. W/Off	Nil	Nil	Nil	Nil	Nil
Prior Period Adjustment	Nil	Nil	Nil	Nil	Nil
Operating Profit before Working Capital Change	**0.27**	**(1.02)**	**(0.45)**	**(0.49)**	**(0.22)**
Adjustments for:					
Trade & Other Receivables	Nil	Nil	Nil	1.30	Nil
Trade Payable	0.48	(0.07)	0.03	0.14	0.02
Closing Stock	Nil	Nil	Nil	Nil	Nil
Provisions	Nil	Nil	Nil	Nil	Nil
Cash Generated from Operations	**0.48**	**(0.07)**	**0.03**	**1.44**	**0.02**
Direct Taxes Paid / Provided	Nil	Nil	Nil	(1.01)	Nil
Extra Ordinary Items / Prior Period Adjustments	Nil	Nil	Nil	Nil	Nil
Net Cash Flow from Operating Activities	**0.75**	**(1.09)**	**(0.42)**	**(0.06)**	**(0.20)**
B. Cash Flow from Investing Activities					
Purchases / Sale of Fixed Assets	Nil	Nil	Nil	Nil	Nil
Investment Matured	Nil	0.74	Nil	0.03	Nil
Dividend Received	Nil	Nil	Nil	Nil	Nil
Net Cash Flow used in Investing Activities	**Nil**	**0.74**	**Nil**	**0.03**	**Nil**
C. Cash Flow used in Investing Activities					
Unsecured Loan taken	0.62	0.38	0.40	Nil	Nil
Loan & Advances (Given / Repaid)	Nil	Nil	Nil	Nil	Nil
Dividend (Including Corporate Dividend Tax)	Nil	Nil	Nil	Nil	Nil
Net Cash Flow from Financing Activities	**0.62**	**0.38**	**0.40**	**Nil**	**Nil**
Net Increase / (Decrease) in Cash & Cash Equivalents	1.37	0.02	(0.02)	0.03	(0.20)
Opening Cash & Cash Equivalents Balance	0.04	0.02	0.04	0.07	0.27
Closing Cash & Cash Equivalents Balance	1.41	0.04	0.02	0.04	0.07

We have also examined the following statements extracted from the above Balance Sheet & Profit & Loss Account for the past five years :-

Accounting Ratios

Particulars	For the year ended				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31st March 2001**
Dividend	Nil	Nil	Nil	Nil	Nil
Earning Per Share (PAT/No. of Equity Shares)	0.13	(0.51)	(0.23)	(0.24)	(0.11)
Return On Net worth (Return on Net Worth (%) [Profit (loss) after deferred tax/ Net worth]	18.21	(85.17)	(20.26)	(18.24)	(5.46)
Book Value Per Share ([(amt of fully paid shares-prel. Exp. Not written off-b/f loss) / No of Shares]	0.74	0.60	1.11	1.34	2.09

Capitalisation statement

(Rs.In lacs)

Particulars	As at				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31st March 2001**
DEBT					
Short term debt	1.40	0.78	0.40	Nil	Nil
Long term debt	Nil	Nil	Nil	Nil	Nil
Total	1.40	0.78	0.40	Nil	Nil
SHAREHOLDERS'S FUND					
Equity (Paid-up)	20.00	20.00	20.00	20.00	20.00
Reserves and Surplus	(18.53)	(18.80)	(17.71)	(17.32)	(15.82)
Less : Miscellaneous Exp.	Nil	Nil	Nil	Nil	Nil
Total Shareholders' Funds	1.47	1.20	2.29	2.68	4.18

AGE-WISE ANALYASIS OF DEBTORS FOR THE YEAR FROM 2000-2001 TO 2004-2005

MORE THAN SIX MONTHS Rs. in lacs

NIL

LESS THAN SIX MONTHS Rs. in lacs

NIL

LOANS AND ADVANCES

Particulars	**FOR THE YEAR ENDED**				
	31st March 2005	**31st March 2004**	**31st March 2003**	**31st March 2002**	**31stMarch 2001**
Promoter and group companies	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil

In preparation of these statements we have made such adjustments / regroupings as were, in our opinion appropriate in conformity with the accounting principles generally accepted in India.

The above statements have been drawn up in accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000.

For Jayesh R. Shah & Co.
Chartered Accountants

Jayesh Shah
Proprietor
Membership No : 33864
Place: Mumbai
Date: 21/10/2005

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

There are no litigations in which Jhantla Investments Ltd is involved. Further to this, none of the Directors and Promoter of the company and Company in which directors or promoter is director are involved in any litigations.

TERMS OF THE PRESENT ISSUE

The Equity Shares being issued are subject to the terms of this Letter of Offer, the enclosed Composite Application Form, the Memorandum and Articles of Association of the Company the approvals from the GOI and RBI and provisions of the Companies Act, 1956, any other legislative enactments and rules as may be applicable.

AUTHORITY TO THE ISSUE

The present Rights Issue is pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on 19th July, 2005 and the shareholders approval obtained at its Annual General Meeting. Dated 31st August 2005. The Letter of Offer has been finalised at the Board meeting held on November 14, 2005.

BASIS OF OFFER

In accordance with the Board Resolution and the EGM resolution, the Equity Shares are being offered on Rights basis, in the ratio of Twenty Four Equity Shares for One Equity Share held, to all the existing Equity Shareholders of the Company, whose name appears on the Register of Members of the Company at the close of business hours on ………… being the record date, fixed in consultation with the Designated Stock Exchange.

RIGHTS ENTITLEMENT

As your name appears on the Register of Members of the Company as an Equity Shareholder on …………… being the record date, you are being offered the Equity Shares as shown in Part A of the enclosed Composite Application Form.

ARRANGEMENT FOR DISPOSAL OF ODD LOTS

Since the Company has made arrangements for fractional entitlements to be converted to whole integers, the Company has not made any arrangements for disposal of odd lots. For shareholders seeking allotment in physical form, one single consolidated certificate shall be issued against their entitlement unless otherwise desired by the shareholder(s). The Company shall split the shares and return the same to the shareholder, into lots as specified and specifically requested in writing by the shareholder (who holds physical certificates) within 7 days from the date of receipt of such request by the Company.

SHAREHOLDER ELIGIBILITY

Shareholders would be entitled to apply for Equity Shares to the extent of their entitlement as detailed in Part A and can apply for additional Equity Shares as well as for Equity Shares renounced in their favour by any other shareholder. They can renounce the Equity Shares offered either in full or part thereof in favour of any other person.

Investors are advised to ensure that any application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant regulations or statutory guidelines.

ISSUE PRICE

As per Clause 3.1.1 of the Guidelines a listed company whose equity shares are listed on a stock exchange, may freely price its equity shares and any security convertible into equity at a later date, offered through a public or rights issue.

Each Equity Share is of face value of Rs 10 and is being offered at a par.

TERMS OF PAYMENT AND APPROPRIATION
The whole issue price is payable at the time of application.

RANKING OF EQUITY SHARES

The Equity Shares being issued in the Rights Issue shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with the existing Equity Shares of the Company including dividends. Company undertakes that at any given time there shall be only one denomination for the Equity Shares respectively of the Company issued under this Rights Issue and that it will comply with such disclosure and accounting norms as specified by SEBI from time to time.

ACCEPTANCE OF OFFER

You may accept this offer either in full or in part. Please fill up Part A of the CAF for the number of Equity Shares you would like to subscribe and submit the same together with the application money in the prescribed manner to the Bankers to the Issue mentioned on the reverse of the CAF or to the Registrars to the Issue, as the case may be, before the close of banking hours on ………………...

ADDITIONAL EQUITY SHARES

You are also eligible to apply for additional Equity Shares over and above the number of Equity Shares offered to you, provided that you have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person.

RENUNCIATION

As an Equity Shareholder, you have the right to renounce your entitlement of Equity Shares in full or in part in favour of one or more person(s). Your attention is drawn to the fact that the Company shall not allot and/or register any Equity Shares in favour of:

i. more than three persons including joint holders;
ii. any Trust or Society (unless the same is registered under the Societies Registration Act, 1860 or any other applicable Trust Laws and is authorised under its Constitution to hold Equity Shares of a Company);
iii. Partnership firm(s) or their nominee(s);
iv. Minors
v. Hindu Undivided Families (HUFs)

Further, any renunciations by Non-Resident (NRI) to Residents, Residents to NRI or NRI to NRI (s) are also subject to the renouncer(s)/renouncee(s) obtaining the necessary approval of the RBI under the provisions of the Foreign Exchange Management Act, 2000, and other applicable laws and such permission should be attached with the CAF.

Note: The renouncee cannot further renounce his entitlement.

PROCEDURE FOR RENUNCIATION

(a) To renounce the whole offer

If you wish to renounce this offer indicated in Part A, in whole, please complete Part B of the Composite Application Form. In case of joint holding, all joint holders must sign Part B of the CAF. The person in whose favour renunciation has been made should complete and sign Part C of the CAF. In case of joint renouncees, all joint renounces must sign this part of the CAF.

(b) To renounce in part

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer in favour of two or more renouncees, the CAF must be first split into requisite number of forms. Joint renounces would be considered as one. For this purpose you shall have to apply to the registrars to the Issue. Please indicate your requirement of split forms in the space provided for this purpose in Part D of the CAF and return the entire CAF to the Registrars to the Issue so as to reach them latest by the close of business hours on ………………………. On receipt of the required number of split forms from the Registrars to the Issue, the procedure as mentioned in para (a) above shall have to be followed.

In case the signature of the shareholder(s) who has renounced the Rights Equity Shares, does not match with the specimen registered with the Company, the application will be rejected.

(c) Renouncee(s)

The person in whose favour the instruments are renounced should fill in and sign Part C and submit the entire CAF to the Bankers to the Issue on or before ………………… along with the application money.

CHANGE AND/OR INTRODUCTION OF ADDITIONAL HOLDERS

If you wish to apply for Equity Shares jointly with any other person or persons, not more than three, who is/are not already joint holders with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above, shall have to be followed.

PLEASE NOTE THAT:

i. Part A of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid.
ii. Request for split forms, one for each of the renouncee(s) and one for the renouncer, should be made for all the Equity Shares applied for.
iii. Only the person to whom this Letter of Offer has been addressed shall be entitled to apply for split forms. Forms once split cannot be split again.
iv. Renouncee(s) cannot apply for split forms.
v. Split form(s) will be sent to the applicant(s) by post at the applicant's risk.

HOW TO APPLY

Applications should be made only on the enclosed CAF provided by the Company. The enclosed CAF should be completed in all respects, as explained in the INSTRUCTIONS indicated in the CAF before submitting it to the Bankers to the Issue or the Registrars to the Issue. Different parts of the CAF should not be detached under any circumstance. Detailed instructions as to how to apply have been given in the CAF. You may exercise any of the following options with regard to the Equity Shares/offered to you, using the enclosed CAF:

Options available	Action required
1 Accept entitlement in full	Fill in and sign 'Part A' of the CAF
2. Accept entitlement in full and apply for additional Equity Shares	Fill in and sign 'Part A' of the CAF after indicating in Block IV the number of additional Equity Shares applied for
3. Accept entitlement in part without renouncing the balance	Fill in and sign 'Part A' of the CAF, after indicating in Block III .the number of Equity Shares accepted.
4. Renounce the entitlement in full to one person	Fill in and sign 'Part B' of the CAF indicating the

(renouncee) (joint renouncees are considered as one renouncee) (joint renouncees cannot exceed more than three) without applying for Equity Shares.	number of Equity Shares renounced and hand over the entire CAF to the renouncee. The renouncee must fill in and sign 'Part C' of the CAF.
5. Accept entitlement in part and then renounce the balance to one or more renounces	Fill in and sign 'Part D' of the CAF for split forms after indicating the required number of split forms and send the entire CAF to the Registrars so as to reach them on or before the last date for receiving requests for split forms indicated in the CAF. On receipt of the split forms take action as indicated below: i. For the Equity Shares, if any, which you want to accept, fill in and sign 'Part A' of one Split CAF. ii. For the Equity Shares you want to renounce, fill in and sign 'Part B' in the required number of CAFs indicating the number of Equity Shares renounced to each renouncee. iii. Each renouncee should then fill in and sign 'Part C' of the respective split CAF for the Equity Shares accepted by each renouncee.
6. Introduce a joint holder or change the sequence of joint holders.	This will be treated as a renunciation. Fill in and sign Part B and the renouncees must fill in and sign Part C.

MODE OF PAYMENT

For Resident Shareholders

Only one mode of payment per application should be used. The payment must be either in cash or by cheque/ demand draft drawn on any of the banks, including a co-operative bank, which is situated at, and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted. A separate cheque/ draft must accompany each CAF. Outstation/post-dated cheques or demand drafts and postal/ money orders will not be accepted and applications accompanied by such demand drafts/ cheques/ money orders or postal orders will be rejected. The Registrars to the Issue will not accept cash along with the CAF.

All cheques/ drafts accompanying the CAF should be drawn in favour of the Bankers to the Issue (specified on the reverse of the CAF), crossed "A/C Payee only" and marked **"………………………………………… - RIGHTS ISSUE**". No receipt will be issued for application money received.

The Bankers to the Issue/Registrars to the Issue will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF. Applicants residing at places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their applications together with Demand Draft (net of DD and postal charges) drawn in favour of **"Jhantla Investments Limited- RIGHTS ISSUE"** and marked "A/c payee only" payable at Mumbai, directly to the Registrars to the Issue by REGISTERED POST so as to reach them on or before the closure of the Issue. The Company or the Registrars to the Issue will not be responsible for postal delays, if any.

PAYMENT BY STOCKINVEST

RBI vide its notification no. DBOD.NO.FSC.BC/42/24.47.001/2003-4 dated 5th November 2003 has withdrawn the Stock invest Scheme. The investors are therefore not allowed to apply through stock invest.

APPLICATION BY NON-RESIDENT SHAREHOLDERS

As regards the application by Non-Resident shareholders, the further conditions as given below shall apply. As per notification No. FEMA 20/2000-RB dated May 3, 2000 of the RBI, the RBI has given general permission to Indian companies to issue Rights/Bonus shares to non-resident Indians. Hence the Company does not need an in- principle permission from RBI for Issue of shares to Non-Resident Indians, on a repatriable basis, up to their entitlement.

Payment by NRIs/FIIs must be made by demand draft/cheque payable at Mumbai in any of the following ways:

APPLICATION WITH REPATRIATION BENEFITS

i. By Indian Rupee drafts purchased abroad and payable at Mumbai; OR
ii. By cheque/draft on a Non-Resident External Account (NRE) or FCNR Account maintained in Mumbai; OR
iii. Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable in Mumbai;
iv. FIIs registered with SEBI must remit funds from special Non-Resident Rupee deposit account.

APPLICATION WITHOUT REPATRIATION BENEFITS

As far as NRIs holding shares on non-repatriation basis is concerned, in addition to the ways specified above, payment may also be made by way of cheque drawn on Non - Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the allotment of Equity Shares will be on non-repatriation basis. All cheques/drafts submitted by NRIs/FIIs should be drawn in favour of **“ …………………….. - RIGHTS ISSUE-NR”** payable at Mumbai and must be crossed “A/c Payee only” for the amount payable. The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAF before the close of banking hours on the issue closing date. A separate cheque or bank draft must accompany each application form.

Applicants may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and will be liable to be rejected.

Note: In case where repatriation benefit is available, dividend and sales proceeds derived from the investment in shares can be remitted outside India, subject to tax, as applicable according to Income-tax Act, 1961. In case shares are allotted on non-repatriation basis, the dividend/sale proceeds of the Equity Shares cannot be remitted outside India. In case of applications received from Non-Residents, refunds and other distribution, if any, will be made in accordance with the guidelines/rules prescribed by RBI as applicable at the time of making such remittance and subject to necessary approvals.

PROCEDURE FOR APPLICATION

Please read the instructions printed overleaf on the enclosed CAF carefully.

Application should be made on the printed CAF, provided by the Company and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the applicants, details of occupation, address, father's/ husband's name, Bank Account Details must be filled in block letters.

The CAF together with cheque/demand draft should be sent to the Bankers to the Issue or to the Registrars to the Issue and **not** to the Lead Managers to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by the Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai and send their application forms to the Registrars to the Issue BY REGISTERED POST after deducting DD and Postal Charges. If any portion(s) of the CAF is/are detached or separated, such application is liable to be rejected.

The payment against the application should not be effected in cash if the amount to be paid is Rs 20,000/- or more. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Payment against the application if made in cash, subject to conditions as mentioned above, should be made only to the bankers to the Issue or the Registrars to the Issue as mentioned above.

For a total value of Rs. 50,000 or more, i.e. where the total number of Equity Shares applied for multiplied by the issue price, is Rs. 50,000 or more, the applicant or in the case of application in joint names, each of the applicants, should mention his/her Permanent Account Number (PAN) allotted under the Income tax Act, 1961 or where the same has not been allotted, the GIR number and the Income-tax Circle/Ward/District. In case where neither the PAN nor the GIR number has been allotted, the fact of non-allotment should be mentioned in the application forms.

Application forms without this information will be considered incomplete and will be liable to be rejected.

Thumb impressions and signatures other than in English, Hindi, Marathi or any other language specified in the 8^{th} Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal.

In case of an application under Power of Attorney or by a Body Corporate or by a Society, a certified true copy of the relevant Power of Attorney or relevant resolution or authority to make investment and sign the application along with the copy of the Memorandum & Articles of Association and/or bye laws must be lodged with the Registrars to the Issue giving reference of the serial number of the CAF within 7 days of closure of the Issue. In case the above referred documents are already registered with the Company, the same need not be furnished again; however, the serial number of registration or reference of the letter, vide which these papers were lodged with the Company must be mentioned just below the signature(s) on the application. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

APPLICATION BY MUTUAL FUNDS

A separate application can be made in respect of each scheme of an Indian Mutual Fund registered with the Board and that such application shall not be treated as multiple applications. The applications made by the AMCs or Custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made.

In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. Further, in case of joint applicants who are renouncees, the number of applicants should not exceed three. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.

The shareholders must sign the CAF as per the specimen signatures recorded with the Company

Application(s) received from Non-Residents, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter-alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Equity Shares, subsequent issue and allotment of Equity Shares, dividend, export of share certificates, etc. In case a Non-Resident shareholder has specific approval from the RBI, in connection with his/ her shareholding, the person should enclose a copy of such approval with the CAF.

All communication in connection with application for the Equity Shares, including any change in address of the shareholders should be addressed to the Registrars to the Issue quoting the name of the first/sole applicant shareholder, folio numbers and CAF number. Split forms cannot be re-split. Only the person or persons to whom Equity Shares have been offered shall be entitled to obtain split forms.

Renouncee(s) shall not be entitled to obtain split forms.

NOMINATION FACILITY

The applicant may indicate the name of the nominee in the CAF, in respect of the Equity Shares that may be allocated to him or for the existing shares. As per Section 109A of the Companies Act, a holder of shares may, at any time, nominate, in the prescribed manner, a person to whom his Equity Shares in the Company shall vest, in the event of his death.

BANK DETAILS

Please ensure that the Bank account details in the application form are filled in the space provided for the purpose. Applications without these details are liable to be rejected.

FRACTIONAL ENTITLEMENT

For Equity Shares being offered on rights basis under this Issue, if the shareholding of any of the Equity Shareholders is less than 2 or is not in the multiples of 2, then the fractional entitlement of such holders for Equity Shares shall be rounded up to the next higher integer. The Equity Shares needed for such shares will be first adjusted from the unsubscribed portion of the Issue, if any and should there be further requirement, the same will be adjusted from the Promoter's entitlement at the time of the allotment.

APPLICATION ON PLAIN PAPER

Where a shareholder has neither received the original CAF nor he/she is in a position to obtain duplicate form, he/ she may send his/her application on a plain paper to the Registrars to the Issue by registered post. Such application should contain necessary particulars like the name, address, ratio of Rights Issue, Issue price, number of shares held, folio number, Registered Folio Number/ DP and Client ID no. Number of Equity Shares entitled and applied for, additional Equity Shares applied for, if any, amount paid with application, particulars of cheque, and particulars of the applicant's bank account to be provided for printing on the refund orders etc. For a total value of Rs. 50,000 or more, i.e. where the total number of Equity Shares applied for multiplied by the issue price, is Rs. 50,000 or more, the applicant or in the case of application in joint names, each of the applicants, should mention his/her Permanent Account Number (PAN) allotted under the Income-tax Act, 1961 or where the same has not been allotted, the GIR number and the Income-tax Circle/Ward/District. The cheque(s)/ demand draft(s) accompany such applications should be payable at par at Mumbai. The applications received through the registered post shall be dealt with by the Registrars to the Issue in the normal course. No such plain paper application will be entertained if it is received after the closure of the issue.

Attention of the shareholders is drawn to the fact that shareholders making applications otherwise than on the standard form shall not be entitled to renounce their rights and should not utilise the standard form for any purpose including renunciation even if it is received subsequently. If the shareholder, making application on plain paper, violates any of these requirements he shall face the risk of forfeiture of amounts remitted along with the application forms.

LAST DATE FOR APPLICATION

The last date for submission of CAF is ……………..

The Board will have the right to extend the said date for such period as it may determine from time to time but not exceeding sixty days from the date the issue opens.

If the CAF together with the amount payable is not received by the Bankers to the Issue/Registrars to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board, the offer contained in this Letter of Offer shall be deemed to have been declined and the Board shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the heading “Basis of Allotment”.

OPTION TO INVESTORS TO APPLY FOR EQUITY SHARES IN DEMATERIALISED FORM

Applicants have the option to receive the Equity Shares of the Company in the electronic form under the depository system. The Company has entered into a tripartite agreement with the Registrars to the Issue and CDSL dated October 1, 2001 for dematerialisation of the securities being offered through this Rights Issue, to enable an investor to receive and trade in securities in dematerialized (electronic/demat) form, instead of holding Equity Shares being issued in the form of physical certificates. In this Rights Issue, an option is being provided to the shareholders to receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account with a depository participant instead of receiving these Equity Shares in the form of physical certificates. Investor can opt for this facility by filling up the relevant particulars in the CAF.

Applicants may note that they have the option to subscribe to the rights Equity Shares in demat or physical form, or partly in demat and physical form, in the same application in the space provided for the purpose. Separate applications for demat and physical are NOT to be made. In case of partial allotment, allotment will be first done in demat form, and the balance, if any, will be allotted in physical form. **Investors may please note that the Equity Shares of the Company can be traded on the stock exchange only in demat form.**

Procedure for opting for this facility for allotment of Equity Shares in electronic form is as under:

Open a Beneficiary Account with any Depository Participant (care should be taken that the Beneficiary Account should carry the name of the holder in the same manner as is exhibited in the records of the Company. In case of joint holding, the Beneficiary Account should be opened carrying the names of the holders in the same order as with the Company). In case of Investors having various folios in the Company with different joint holders, the investors will have to open separate accounts for such holdings. This step need not be adhered to by those shareholders who have already opened such Beneficiary Account(s).

For shareholders holding shares in dematerialised form as on book closure date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares by way of credit to such account the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the allotment of Equity Shares arising out of this Issue can be received in a dematerialised form even if the original Equity Shares of the Company are not dematerialised. Nonetheless, it should be ensured that the Depository Account is in the name(s) of the shareholders and the names are in the same order as in the records of the Company.

Responsibility for correctness of applicant’s age and other details given in the CAF vis-à-vis those with the applicant’s Depository Participant would rest with the applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be same as registered with the applicant’s Depository Participant.

If incomplete/incorrect Beneficiary Account details are given in the CAF or where the investor does not opt to receive the Rights Equity Shares in dematerialised form, the Company will issue Equity Shares in the form of physical certificate(s).

The Rights Equity Shares allotted to investors opting for dematerialised form, would be directly credited to the Beneficiary Account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the

Rights Equity Shares to the applicant's Depository Account will be provided to the applicant by the applicant's Depository Participant.

Renouncees can also exercise this option to receive Equity Shares in the dematerialized form by indicating in the relevant block and providing the necessary details about their Beneficiary Account.

BASIS OF ALLOTMENT FOR EQUITY SHARES

Subject to provisions contained in this Letter of Offer, the Articles of Association of the Company and approval of the Designated Stock Exchange, the Board will proceed to allot the Equity Shares in the following order of priority.

(a) Full allotment to those Equity Shareholders who have applied for their rights entitlement either in full or in part and also to the renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.

(b) Allotment to the Equity Shareholders who having applied for all the Equity Shares offered to them as rights and have also applied for additional Equity Shares. The allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the book closure date, provided there is an under-subscribed portion after making full allotment in (a) above. The allotment of such additional Equity Shares shall be made as far as possible on equitable basis with reference to number of Equity Shares held on record date i.e. …………, within the overall size of Rights Issue at the sole and absolute discretion of the Board of Directors or Committee thereof in consultation with Bombay Stock Exchange Limited, Mumbai,.

(c) Allotment to the renouncees who having applied for the Equity Shares renounced in their favour have also applied for additional Equity Shares, provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such additional Equity Shares will be made on a proportionate basis at the sole discretion of the Board/Committee of Directors but in consultation with the Designated Stock Exchange, as a part of the rights Issue and not preferential allotment.

(d) Equity Shares remaining unsubscribed after making full allotments under a, b, and c above, shall be disposed of by the Board in manner as it in its sole discretion deems fit and the decision of the Board in this regard shall be final and binding.

After taking into account the full allotment under (a), (b)and (c) above, if there is any unsubscribed portion, the Rights Issue, shall be deemed to be "unsubscribed" for the purpose of regulation 3(1)(b) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997. The under subscribed portion shall be applied for only after the close of the issue. The Promoter Group shall subscribe to such under subscribed portion as per the relevant provisions of the law. If any person presently in control of the company desires to subscribe to such under subscribed portion and if disclosure is made pursuant to SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, such allotment of the under subscribed portion will be governed by the provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and Clause 40A of the Listing Agreement. In any event of under subscription, the allotment shall be made in terms of (d) above.

General instructions for applicants

a) Please read the instructions printed on the enclosed CAF carefully.

b) Application should be made on the printed CAF, provided by the Company and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the applicants, details of occupation, address, and father's / husband's name must be filled in block letters.

c) The CAF together with cheque / demand draft should be sent to the Bankers to the Offer / Collecting Bank or to the Registrar and not to the Company or Lead Managers to the Offer. Applicants residing at places other than cities where the branches of the Bankers to the Offer have been authorised by the Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai and send their application forms to the Registrar to the Offer by REGISTERED POST. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.

d) Applications for a total value of Rs. 50,000 or more, i.e. where the total number of securities applied for multiplied by the Offer price, is Rs. 50,000 or more the applicant or in the case of application in joint names, each of the applicants, should mention his/ her permanent account number allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income-Tax Circle / Ward / District. In case where neither the permanent account number nor the GIR number has been allotted, the fact of non-allotment should be mentioned in the CAFs. Forms without this information will be considered incomplete and are liable to be rejected.

e) Applicants are advised to provide information as to their savings/current account number and the name of the Bank with whom such account is held in the CAF to enable the Registrar to print the said details in the Refund Orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

f) The payment against the application should not be effected in cash if the amount to be paid is Rs. 20,000 or more. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Payment against the application if made in cash, subject to conditions as mentioned above, should be made only to the Bankers to the Offer.

g) Signatures should be either in English or Hindi or in any other language specified in the 8^{th} Schedule of the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with the Company.

h) In case of an application under Power of Attorney or by a body corporate or by a society, a certified true copy of the relevant Power of Attorney or relevant resolution or authority to make investment and sign the application along with a copy of the Memorandum & Articles of Association and / or bye laws must be lodged with the Registrar to the Offer giving reference of the serial number of the CAF. In case these papers are sent to any other entity besides the Registrar to the Offer or are sent after the Offer Closure Date, then the application is liable to be rejected.

i) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. Further, in case of joint applicants who are renouncees, the number of applicants should not exceed three. In case of joint applicants, reference, if any, will be made in the first applicant's name and all communication will be addressed to the first applicant.

j) Application(s) received from Non-Resident / NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Equity Shares, subsequent Offer and allotment of Equity Shares, interest, export of Equity Share certificates, etc. In case a Non-Resident or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

k) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Offer prior to the date of allotment in this Offer quoting the name of the first / sole applicant Equity Shareholder, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of allotment, should be sent to the Registrar and Transfer Agents of the Company in the case of equity shares held in physical form and to the respective DP, in case of equity shares held in dematerialized form.

l) Split forms cannot be re-split.

m) Only the person or persons to whom Equity Shares have been offered and not renouncee(s) shall be entitled to obtain split forms.

n) Applicants must write their CAF number at the back of the cheque / demand draft.

o) Only one mode of payment per application should be used. The payment must be either in cash or by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

p) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash. (For payment against application in cash please refer point (f) above)

q) No receipt will be Offer d for application money received. The Bankers to the Offer / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

r) **Mode of payment for Equity Shareholders/ Applicants**: All cheques / drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed "A/c Payee only" and marked **"…………………….. – A/c Jhantla Investments Limited Rights Issue**" Applicants residing at places other than places where the bank collection centres have been opened by the Company for collecting applications, are requested to send their applications together with Demand Draft (net of DD and postal charges) favoring the Bankers to the Offer, crossed "A/c Payee only" and marked ………….**- A/c Jhantla Investments Limited-Rights Issue"** payable at Mumbai directly to the Registrar to the Offer by registered post so as to reach them on or before the Offer Closing Date. The Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

Note:
The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on the aforesaid Offer Closing Date. A separate cheque or bank draft must accompany each CAF.

In case application received from Non-Residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No separate receipt will be issued for the application money received. However, the Bankers to the issue/Registrars to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgement slip at the bottom of each CAF. The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case, without assigning any reason.

In case an application is rejected in full, the whole of the application money received will be refunded without interest and after deducting bank charges within six weeks. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded without interest and after deduction of bank charges to the applicant within six weeks from the close of the Issue.

ALLOTMENT AND REFUND ORDERS

Share certificate / letter of allotment or letter of regret together with refund order exceeding Rs 1,500, if any, will be dispatched by registered post at the sole/first named applicant's address within 42 days from the date of the closing of the Issue. Refund orders up to Rs 1,500 will be dispatched under certificate of posting. Adequate funds will be made available to the Registrars for this purpose.

In case of those shareholders who have opted to receive their Equity Shares in dematerialised form through electronic credit under the depository system, an advice regarding the credit will be sent separately.

If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company shall pay that money with interest as stipulated under Section 73 of the Act.

Refunds will be made by cheques or pay orders drawn on the bank(s) appointed by the Company as refund bankers. Such instruments will be payable at par at the places where applications were accepted. Bank charges, if any, for encashing such cheques or pay orders will be borne by the applicants.

In case the Company issues Letters of Allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

PRINTING OF BANK PARTICULARS ON REFUND ORDERS

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the applicant's bank account are mandatory and are to be provided for printing on the refund orders. Bank account particulars will be printed on the refund orders, which can then be deposited only in the account specified. The Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

INTEREST IN CASE OF DELAY IN DESPATCH OF ALLOTMENT ADVICE/ REFUND ORDERS

The Company agrees that:

a. Allotment of securities hereby offered shall be made within a period of 42 days of the date of closure of the issue.
b. If Allotment is not made and /or Share certificate / letter of allotment or letter of regret together with refund order are not dispatched within 8 days from the day the Company becomes liable to pay it, the Company shall, as stipulated under sections 73(2)/73 (2A) of the Companies Act, 1956, pay that money with interest at the rate of 15% p.a..

DESPATCH OF ALLOTMENT ADVICE/ SHARE CERTIFICATES/ REFUND ORDERS

Share Certificates for the Equity Shares or Letters of Regret, as the case may be, together with Refund Orders if any, will be dispatched within 6 weeks from the date of closure of the issue. The Company shall ensure dispatch of the refund orders of value up to Rs. 1500 under Certificate of Posting and those over Rs. 1500 and share certificates by Registered Post only. Adequate funds for the purpose will be available to the Registrars to the Issue for mailing the share certificates by Registered Post. Particulars of the applicant's Savings/Current Bank Account may be given in the space provided thereof in the application form so as to enable the Registrars to the Issue to print the same on the refund order, if any.

As regards allotment/refund to Non-Residents, the following further conditions shall apply:

In case of NRIs, who remit their application monies from funds held in NRE/FCNR accounts, refunds and/or payment of dividend and other disbursement, if any, shall be credited to such accounts, details of which should be furnished in the CAF. Subject to the approval of the RBI, in case of NRIs/Non Residents, who remit their application monies through Indian Rupee draft purchased from abroad, refund and/or payment of dividend and any other disbursement, shall be credited to such accounts, details of which should be furnished in the CAF. Subject to the approval of RBI, in case of NRIs/Non Residents, who remit their application monies through Indian Rupee draft purchased from abroad, refund and/or payment of dividend and any other disbursements will be made net of bank charges/commission in U.S Dollars, at the rate of exchange prevailing at such time. The Company will not be responsible for any loss on account of exchange fluctuations for converting the Indian Rupee amount into U.S Dollars. The share certificates for the Equity Shares will be sent by registered post at the address of the NRI / non-resident applicant.

UNDERTAKINGS BY THE COMPANY

The Company has given undertakings that:

i. the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
ii. the Company shall take necessary steps for the purpose of getting the securities listed in the concerned stock exchange within the specified time;
iii. the funds required for dispatch of refund orders/allotment letters/certificates by Registered Post shall be made available to the Registrars to the Issue by the Company;
iv. the dispatch of share certificates/refund orders and demat credit shall be completed and allotment and listing documents will be submitted to the Stock Exchanges within the specified time limit.
v. the certificates of the securities/refund orders to the Non-Residents shall be dispatched within specified time;
vi. no further issue of securities shall be made till the securities offered through this LoF are listed or till the application moneys are refunded on account of non-listing, under-subscription etc.

UTILISATION OF ISSUE PROCEEDS

The Board of Directors undertake that:

i. all monies received out of this Rights Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73;

ii. Details of all monies utilised out of this Rights Issue referred to in sub-item i shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the purpose for which such monies had been utilised; and

iii. Details of all unutilised monies out of this Rights Issue, if any, referred to in sub item i shall be disclosed under an appropriate separate head in the balance-sheet of the Company indicating the form in which such unutilised monies have been invested.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

SHARE TRANSFERS

The Company has appointed M/s. Sharex Dynamic India Private Limited as Share Transfer Agent and the transfers are approved in a duly constituted meeting of Board of Directors.

EXPERT OPINION

Save and otherwise stated in the Letter of Offer, the Company has not obtained any expert opinions.

OPTION TO SUBSCRIBE

The Equity Shareholders are given the option to receive the security certificates or hold securities in dematerialized form with a depository.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company), which are or may be deemed material have been entered or are to be entered into by the Company. Copies of these contracts and also the documents for inspection referred to hereunder will be delivered to Bombay Stock Exchange Limited (Designated Stock Exchange). These documents may be inspected at the Registered Office of the Company from 11:00 am to 2:00 pm on all working days, from the date of this Letter of Offer until the date of closure of the Subscription List.

Material contracts

1. Memorandum of Understanding entered into between the Company and Aryaman Financial Services ltd. dated ………...
2. Memorandum of Understanding entered into between the Company and Sharex Dynamic (India) Pvt. Ltd . dated ………..
3. Tripartite agreement entered between the Company, Central Depository Services (India) Limited and Sharex Dynamic India Pvt. Ltd dated 01.10.2001.
4. Letter dated ………………. received from …………………, giving consent to act as Banker to the Issue.

Documents

1. Memorandum and Articles of Association of the Company.
2. Annual Reports of Jhantla Investments Limited for the last five years.
3. Resolutions passed by the Board of Directors at their meeting held on July 19, 2005 and Resolution passed in the Extra Ordinary General Meeting held on August 31, 2005 forming the authority for the Offer.
4. Consents from Directors, Auditors, Bankers to the Offer, Compliance Officer of the Company, Lead Manager to the Offer, and the Registrar to the Offer.
5. Auditors' report of Jhantla Investments Limited dated October 21, 2005 giving the financial information, which is enclosed in the Letter of Offer.
6. Auditors' certificate dated November 5, 2005 regarding tax benefits.
7. In-principle approval vide letter no. ……………….. from BSE, for listing of the securities offered in this Offer.
8. Resolution of the Board of Directors approving Draft Letter of Offer on November 14, 2005.
9. Due diligence Certificate from Aryaman Financial Services Ltd. (Lead Manager to the Offer).
10. Observation Letter no ………………. dated …………….. issued by the Securities and Exchange Board of India.

DECLARATION

"All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or the guidelines issued, as the case may be. We further certify that all the statements in this Letter of Offer are true and fair."

Yours faithfully
For Jhantla Investments Limited

Jigar Jaswantlal Shah Director	Ambalal Chimanlal Patel Director
Sunil Kamalkant Chheda Director	Ratanshi D Gogari Director

Place: Mumbai
Date:

Encl: Composite Application Form